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Independent Government Proclaimed in British "Sphere" of Sinkiang

Dr. Hornbeck on "Governments Made by Swords"

Increased Japanese-Soviet Tension---C.E.R. Officials Not Released

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Contents

Editorial Paragraphs

The Bottles that Inebriate—and Poison 363
Dr. Hornbeck on "Governments Made by Swords" 364
Dr. C. T. Wang Is Humiliated Still Further 364
China and America Start Conversations Looking Toward Treaty Revision 365
Independent Government Proclaimed in British "Sphere" of Sinkiang 367
The Crisis in Tibet and the Panchen Lama; Lull in Tibetan Invasion of West China..... 368

Special Articles

Taunting Criticisms of Cabinet Voiced in Japanese Diet..... 370
Increased Japanese-Soviet Tension—C.E.R. Officials Not Released 371
Bandits in Honan on War-Path..... 373
Political Significance of U. S.-Soviet Rapprochement as Seen Through Japanese Eyes..... 375
A Race for Controlling Fukien...By Paul K. Whang 378
Sidelights on the Japanese Spy System in Manchuria 380
Recrudescence of Opium Traffic in China..... By H. J. Timperly 382
Japanese Diplomacy in Retreat Before Soviets..... By Louis Fischer 384
Outlook of the Impending War Between Soviet Russia and Japan.....By Chen Pin-ho 385
Who's Who in China..... 391
Men and Events 392
New Books of Interest in the Far East 394

CONTENTS OF PREVIOUS ISSUES OF THE CHINA WEEKLY REVIEW MAY BE FOUND IN THE "INTERNATIONAL INDEX TO PERIODICALS," COPIES OF WHICH ARE ON FILE IN MOST STANDARD LIBRARIES.

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WASHINGTON OFFICE
J. J. Underwood—Correspondent
Colorado Building, Washington, D. C.

THE BOTTLES THAT INEBRIATE—AND POISON

A STRIKING example of the Biblical saying about straining at a gnat and swallowing a camel is to be found in the administration of the French Concession of Shanghai and to a certain extent in the International Settlement. The matter was well put in a letter which a French lawyer wrote several days ago to the editor of *Le Journal de Shanghai*, accompanying the letter with a finely labelled and excellently capsuled bottle of "liqueur brandy," a case of which had been purchased for five (Chinese) dollars—42 cents a bottle. A feature of the label was the legend "Maison fondee en 1878" (House founded in 1878)—which "house" not stated. Particularly in the French Concession and in some parts of the International Settlement are to be found on sale vile mixtures, of so-called brandies, whiskies, liqueurs, and gins, which are rank poisons, and, considering the ridiculous prices at which they are offered there is good ground for suspicion that they contain wood alcohol as part of their ingredients. The bottles, labels and capsules are splendid imitations of standard brands. Much of it is of Chinese manufacture, but by no means all. Some years back there was to be seen the example of a young Greek at Chefoo engaged in the manufacture of imitation alcoholic liquors who got his education in one of the American missionary colleges in Asia Minor. Undoubtedly the Police are making some efforts to bring the makers and sellers of these spurious beverages before the courts, but it is apparently a case of putting emphasis on the minor offenses against health and letting the much more serious infractions slide, mostly because it is so much easier to prosecute a hawker who sells a melon that has been sliced, or a milkman who has added water to the milk, a butcher who sells meat that has not been examined and stamped, or a baker who has delivered bread without it having been wrapped, than it is to get samples of fake liquors, have them analyzed, and by patient enquiry, starting with the seller, tracing them to the source. Watered milk, an exposed slice of melon, unstamped meat, or an unprotected loaf of bread, might prove deleterious to some one's health, and the sanitary measures that are taken to prevent them are all very laudable, but the harm that would be done if they were not enforced would be infinitesimal compared with the harm that is done daily through the flood of imitation liquors which are to be found on sale in various parts of Foreign Shanghai. It would appear that when this or that brand has become "difficult," the holder then throws the lot into some auction room, by which means the fake stuff is once more offered to the unsuspecting public through fresh channels. The principal victims of these spurious concoctions are

sailors and soldiers. And if, as happens now and then, some member of this or that national group that is sent here to preserve order, himself becomes a source of disorder, it is a safe premise that in the majority of cases his stomach and his brain have been turned topsy-turvy as the result of having had foisted on him one of the locally-made toxic potions. There is, of course, no real need for members of the "defense" (so-called) forces here to go prowling around at night and drink spurious liquors, as genuine liquors for the foreign forces are admitted to their canteens by the Chinese Customs duty free, and are available at less than half the cost the same drinks are sold for at retail in public bars. But, so long as human nature is what it is, these young bloods, who were originally sent here with the expectation of seeing some real action, but instead have to endure a dull routine without the necessity to fire even a single shot—just will seek diversion while the bright lights are burning—but they are no less entitled to protection from poisonous drinks. Such spurious liquors have been a feature of local life for many years, but owing to the high duties which are now levied, the incentive to manufacture them has been greatly intensified. The police and the health departments of both the Settlement and the Concession can render a laudable public service by making a joint drive on the purveyors and manufacturers of these camouflaged poisons.

DR. HORNBECK ON "GOVERNMENTS MADE BY SWORDS"

JAPANESE officialdom was stirred up considerably by a speech made recently by Stanley Hornbeck, chief of the Far Eastern Affairs Bureau of the U. S. State Department, in which he asserted that the Stimson formula of "non-recognition of governments made by swords" was still the American policy. No direct reference was made in Dr. Hornbeck's speech to Manchuria, but Japanese generally took that particular phrase to be intended for Japan and the Japanese press dispatches say that Dr. Hornbeck's statement drew a critical reply from the Foreign Office in Tokyo.

The *Jiji* reported that in addition to issuing a statement, the Foreign Office decided to send special instructions to the new Ambassador, Hiroshi Saito, who will leave The Hague for his new post in Washington Feb. 3, telling him to use every possible opportunity to make clear to America Japan's position in Manchukuo. This position, the *Jiji* said, would include especially the denial of any intention of impairing the independence of Manchukuo.

In the course of his speech Dr. Hornbeck said the United States will make every effort to be "a good neighbor of the Far Eastern countries by projecting President Roosevelt's concept of international relations now in force in Latin America into the Pacific." His speech was the first pronouncement of American policy toward Eastern nations made by a responsible official of the Roosevelt Administration. "American Far Eastern policy," he said, "has grown from, and is shaped by, the belief of the Americans that free States should remain free in the Orient and elsewhere, and that nations should live and let live with due respect for the rights and interests of one another." He said the American people viewed with disapproval tendencies of an imperialistic angling in troublous waters. He pointed out that the United States took the Kellogg pact seriously, and declared: "This country will not lightly resort to, or approve, war, or use of force, or ways approximating war."

Not making any mention of Manchukuo, Mr. Hornbeck indicated that a policy asserting the Stimson formula of non-recognition of governments made by swords is still the policy of the United States, adding that "evidence in the field of action last year indicated that both the United States and the members of the League of Nations acted in conformity with the non-recognition formula."

The chief of the Far Eastern Affairs Bureau concluded by declaring, "The United States is willing and is happy to co-operate with the League in pursuance of common objectives, but is acting independently through her own agencies, avoiding involvement in the functioning processes of the League."

Dr. Hornbeck's speech elicited the following statement from the Japanese Foreign Office:

> "It is most regrettable that the chief of the Far Eastern Bureau of U. S. State Department should at this particular moment, when the Japanese authorities are exerting their utmost efforts for the promotion of friendship between Japan and America, deliver a speech in which he revives the argument of the much-contested Stimson doctrine, and further suggests the application to East Asia of America's traditional policy toward the Latin American countries. His utterances convey an impression of wilfully ignoring the existence of a great Power bearing the responsibilities for the maintenance of peace in East Asia. It should not be forgotten that the Empire of Japan exists in the Far East as much as does the United States on the continent of America."

The *Jiji* outlined the impending instructions to Mr. Saito as follows:

> "Monarchical government in Manchukuo is the outcome of the ardent wishes of the entire population of Manchukuo in order that the independence of the state may be better manifested; and it constitutes the will of Heaven. Japan has no intention whatever of impairing the independence of Manchukuo, but believes that the cultivation of Manchukuo's independence is a factor of paramount importance for the maintenance of peace in Eastern Asia. Therefore, you are requested hereby to avail yourself of every opportunity of explaining Japan's position in Eastern Asia to the officials and civilians of the United States, in order to insure that the American nation acquires a correct conception of the matter and to enhance their public understanding of Japan."

DR. C. T. WANG IS HUMILIATED STILL FURTHER

DR. C. T. Wang, former Minister of Foreign Affairs, will probably have reason to reflect upon the correctness of the well-known saying that Republics are ungrateful. Although while he was in office he achieved a record never before equalled by any Chinese official in quietly, intelligently, and forcefully carrying out a program looking toward freeing China from all foreign tutelage, but at the same time being careful not to attempt anything which he felt was beyond China's strength, he was hounded out of office under circumstances that were really shameful. His resignation came about two years ago following an attack on his person by a student mob at the Foreign Ministry offices for his alleged "weak-kneed" policy towards the Japanese invasion of Manchuria, yet similar student groups when danger threatened Peiping later vied with each other in getting away from the city, forgetting their lessons and their noisily-expressed patriotism. The latest indignity to be heaped upon Dr. Wang is that he has been "found guilty of having illegally forfeited rights of the Chinese overseas in the Straits Settlement to participate in Kuomintang activities," and has been given a punishment by the Public Officers Disciplinary Committee. The decision (according to the *Shun Pao*) by the committee on November 2 ordered that Dr. Wang be deprived of eligibility for public offices for a period of five years. The proceedings against Dr. Wang were instigated by Tseng Loo-sen, member of the Control Yuan. He alleged that Dr. Wang, while holding the

Foreign portfolio, agreed to a request by the Malayan Government to exterminate Kuomintang activities and dissolve the Malaya branch of the tangpu. The Malayan authorities had requested suspension of Kuomintang activities, following a campaign to raise funds for the field hospitals to aid the soldiers wounded in the fierce battles staged between General Chiang Kai-shek and Marshal Feng Yu-hsiang several years ago.

China and America Start Conversations Looking Toward Treaty Revision

STATEMENTS issued both in Nanking and Washington last week showed that negotiations were about to commence between China and the United States regarding the future of extraterritoriality and other points covered in the Sino-American Treaty of 1903. According to a recent Washington message officials expressed the belief that China is seeking revision of the existing treaty, which she has the right to demand upon the expiration of each 10-year period dating from the signature of the pact, rather than asking for the negotiation of a completely new treaty.

A message from Nanking in the Shanghai *Evening Post* Jan. 26 stated that conversations on thus subject had been started between the Chinese Ministry of Foreign Affairs and the American Legation in China regarding the Sino-American Commercial Treaty of 1903.

The following explanation of the Sino-American Treaty of 1903 and the comments thereon were contained in the above-mentioned Nanking dispatch, prepared by C. Yates McDaniel, bureau manager:

In the treaty it is provided that either contracting party may demand revision of its articles before the end of 10-year periods beginning with the date of ratification exchange. The third of successive decade periods terminated on January 13, before which date the Ministry of Foreign Affairs, it is officially stated at Nanking, approached the United States Government through its Legation at Peking.

In authoritative quarters at the capital it is learned that while complying with the treaty provision giving China the right to demand revision, the Chinese Government has at the same time approached the United States with a view to reconsidering the treaty as a whole and negotiating a new treaty.

Of the provisions of the Treaty of 1903, by far the most vital to the interests of the United States and her nationals in China is that concerning the question of extraterritoriality. In this treaty, which is still the effective formal agreement between China and the United States the term "extraterritoriality" is not defined, it being understood that the definitions of earlier Sino-American treaties had not been modified, but the following important statement in this regard was inserted in Article XV:

> "The Government of China having expressed a strong desire to reform its judical system and to bring it into accord with that of Western nations, the United States agrees to give every assistance to such reform and will also be prepared to relinquish extraterritorial rights when satisfied that the state of the Chinese laws, the arrangements for their administration, and other considerations warrant it in so doing."

Extraterritoriality, as defined in the several treaties between the United States and China, provides:

(1) U.S. citizens peaceably attending to their affairs shall receive and enjoy the special protection of the local Chinese authorities, for themselves and everything appertaining to them;

(2) Citizens of the United States who may commit any crime in China shall be subject to trial and punishment only by the consul or other public functionary of the U.S. authorized according to the law of the U.S.;

(3) All civil questions arising between U.S. citizens residing in China shall be subject to the jurisdiction of and regulated by their own government, and all controversies occurring in China between Americans and citizens of any other government shall be regulated by the treaties existing between the U.S. and such governments, without interference on the part of China;

(4) American merchant vessels lying in Chinese waters shall be under the jurisdiction of officers of their own government;

(5) In case of disputes or unlawful acts involving citizens of both China and the United States, the case shall be tried before officers of the nationality of the defendant;

(6) U.S. citizens attempting to trade clandestinely or trade in opium or any other contraband articles of merchandise shall be dealt with by the Chinese Government, without being entitled to any countenance or protection from that of the U.S.;

(7) Arrests in order to effect trial may be made by either the Chinese or American authorities;

(8) When a controversy involving citizens of the United States and China is being heard before a court or other properly constituted organs, a properly authorized official of the plaintiff's nationality shall be permitted freely to attend the trial.

If he so desires, he shall have the right to be present, to examine and to cross-examine witnesses, and if dissatifised with the proceedings he shall be permitted to protest against them in detail.

The law administered will be the law of the nationality of the officer trying the case.

With the exception of provisions 6 and 8 both of which have undergone modifications by formal agreement or by reason of practice, the above points are recognized by treaty and practice.

Although the Treaty of 1903 does not detail, and in some cases does not mention, certain important questions provided for in earlier treaties between the United States and China, it makes the following provisions not before agreed upon or not set forth so specifically in previous official understandings between the U.S. and China;

(1) Completing the terms of the International Protocol of Peking signed in 1901, the Sino-American Treaty of 1903 expressly provides that the diplomatic representative of the U.S. shall have the right to reside in the Chinese capital, and shall be given audience of the Emperor (now applies to the recognized head of the Chinese Government) whenever necessary to present his letters of credence or any communication from the President of the United States;

(2) Article III provides that American citizens have the right to rent or lease land in perpetuity within suitable localities set aside for them in all open ports of

China. Earlier treaties had similar provisions with the important exception of the right to lease in perpetuity.

(3) Article VII provides that China should so revise her mining regulations in such as way as, while promoting Chinese interests and not infringing Chinese sovereignty, would offer no impediment to foreign capital, and would permit American citizens to carry on mining operations and other necessary business, after they had complied with regulations binding on Chinese and foreigners alike.

(4) Article IX provides that China protect fully any American citizen, firm or corporation in the exclusive use in China of any lawful trade mark to the exclusive use of which in the United States they are entitled.

(5) Article X provides that China shall establish a patent office and adopt necessary laws and regulations for the protection of patents issued to American citizens by the U.S. Patent Office. Similar provision for the enforcement of copyright laws is made in Article XI.

In fulfillment of the above three articles of the treaty the Chinese Government has established a Bureau of Trade Marks, which, during the last two years has rendered numerous decisions upholding rights of foreign trade marks. As regards the patents provision, the United States Government is understood to contend that the treaty provisions have never been carried out and that no patent office as such has been set up.

(6) Article XII stipulates that American citizens may engage in commerce on the navigable waters of China on equal terms with those granted to subjects of other foreign powers.

One American company now operates a regular shipping service on the Yangtze River, but at present no American concern is engaged in regular coastwise freight or passenger traffic.

(7) Article XIII states that China shall take necessary steps to provide for a uniform national coinage, which shall be legal tender for all obligations throughout the nation. The treaty makes an exception of customs duties, which, it provides shall be calculated and paid on the basis of the Haikwan Tael.

From time to time the Chinese Government has taken steps with varying success to provide a uniform national coinage, the coining and distribution of the National Silver Dollars at Shanghai beginning last spring being the latest and most successful effort in this direction. Customs duties are now calculated on the basis of the Customs Gold Unit, which has a value of approximately twice that of the Silver Dollar.

(8) Article XIV of the treaty provides definitely for the first time that missionary societies of the U.S. shall be permitted to rent or lease in perpetuity, as the property of such societies, buildings or lands in all parts of the Empire for missionary purposes and after the title deeds have been found in order and duly stamped by the local authorities, to erect such buildings as may be required for carrying on "their good work." This article begins by reiterating the idea given expression to in the Treaty of Tientsin (1858): "The principles of the Christian religion, as professed by the Protestant and Roman Catholic Churches, are recognized as teaching men to do good and to do to others as they would have others do to them."

Provisions regarding the Chinese customs tariff and the means of collection of same contained in the Treaty of 1903 and previous treaties have ceased to be enforced since the international agreement granted China full tariff autonomy.

Other provisions of the earlier treaties still in force though not specifically mentioned in the 1903 agreement stipulate that foreign vessels entering Chinese ports may engage pilots (nationality not mentioned); that the U.S. may exert their good offices to bring about an amicable arrangement in case of an estrangement between China and any other foreign power; that residence shall not be held to confer naturalization upon U.S. citizens in China, nor upon Chinese citizens in the United States.

Formal agreements existing between the United States and China follow: Treaty of Wang-Hea (1844) with tariff: Treaty of Tientsin (1858): Additional Articles to Treaty of Tientsin (1868); Supplemental Treaty of Peking (1880); Commercial Treaty (1903); Import Tariff Agreement (1902).

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An important point for Western nations to bear in mind in connection with the matter of the extraterritorial treaties with China is that Japan may be preparing a surprise attack with consequences almost as detrimental to Western prestige as that which resulted from the sudden onslaught on Mukden on that historic September night. It is just possible that Japan may employ a principle made use of in jiujutsu, namely to pretend to give way in one spot in order to gain a stronger grip in another. Regardless of the practical consequences, the fact should not be lost sight of that just as the negroes of the southern states of America in slavery days yearned for freedom no matter how benevolent their individual masters may have been, and just as the Filipinos strive for independence no matter what the advantages of American protection may be, so the Chinese people wish to have the extraterritorial treaties abolished, not only because they in themselves are a reflection on the Chinese nation as an independent nation, but because they bind China's freedom of action in a way that is probably not generally realized. It is just that latter point that the Japanese may take advantage of. In the last analysis the Japanese have the least to fear of any nation from the abolition of extraterritoriality. Events of the past few years have demonstrated that they intend to have their own way about things in this part of the world in any event, and it is just possible that they may make a gesture with a view to bringing about a rapprochement with China—a desire for which is being contstantly reiterated in the Japanese press and by Japanese diplomats—by being the first to agree to the abolition of the extraterritorial principle in China—a policy, it is to be noted, which has been adopted in Manchuria. Freed from extraterritorial restrictions, China would be in a position to make treaties with any nation it sees fit without any reference to the most-favored nation clause. That is exactly the point that the Japanese may possibly be driving at. Once the extraterritorial principle is pushed aside, we may expect to see Japanese pressure being applied, and probably successfuly, to conclude a treaty with China allowing Japanese goods to enter China on a preferential basis, with a corresponding *quid pro quo* for Chinese goods entering Japan on a preferential basis—but all so framed as to seriously put all Western trading nations at a disadvantage in their commerce with China. We respectfully suggest that this is a matter for American diplomats to keep in mind when negotiating concerning the revision—or abolition, as the case may be—of the existing treaty with China.

Treaties in Force Thirty Years Since Exchange of Ratification

Nanking, Jan. 27, (*Kuo Min*):—The Sino-British Commercial Treaty of September 5, 1902 expired on September 28, 1933 and the Sino-American Commercial Treaty of October 8, 1902, expired on January 15, 1934, both having been in force for approximately thirty years since the exchange of ratification.

The Ministry of Foreign Affairs has addressed formal notes to the British and American Legations asking for the revision of the respective treaties.

The two Legations have referred the matter to their respective Governments. While the British Government has not yet replied, the American Government has agreed to the proposal of the Chinese Government in principle.

Independent Government Proclaimed in British "Sphere" of Sinkiang

THE news last week that a new "government" had proclaimed its independence at Kashgar, in southwestern Sinkiang, is of special significance, when the history, background, and associations of this area are understood. For Kashgar is in the part of Sinkiang, adjoining Kashmir, long recognized as Britain's special "sphere." The Indian railways, running into Kashmir, are the nearest rail communication from Kashgar, and Czarist Russia many years ago, while claiming an exclusive sphere of influence in "western China" (meaning, principally, Sinkiang), specifically excepted Kashgar, where Britain's "rights" were recognized, and there was a British consulate-general.

The population here, as in most of Sinkiang, is predominantly Mohammedan. Here it is even more decidedly so than in the north, where there are much greater numbers of Chinese (mostly soldiers, though there is a fair number of merchants and officials), and considerable Mongol areas as well. According to the report through the *Tass* news agency (the only informative report which has been received at this writing), the new regime at Kashgar is backed by the Emir of Khoten, to the southeast of Kashgar not far from the border of Kashmir. This southern country adjoining Kashmir and the British protectorate of Tibet is rich in mineral wealth, particularly in gold and jade, the latter precious substance having been transported from here into China even before historic times. Today, however, oil rather than jade is the aim, and further west in Kashgaria there are great oil supplies.

Britain established herself in Kashmir in 1846, this Moslem territory becoming a "native state" under the Indian Government, though included in it was Buddhist Ladakh, the western extremity of Tibet. Britain did not penetrate further for many years, during which Czarist Russia was expanding its Central Asian empire, but early in the present century she came to an agreement with Russia regarding their special "spheres." Mongolia was recognized as Russia's special hunting ground, and Tibet as Britain's, but Sinkiang was put in a dual category as noted above, and both Britain and Czarist Russia had consulates-general at Kashgar. The closest commercial bonds of the southwestern area, of course, were with India, and the rupee has long been a common medium of exchange in this area.

The great Taklamakan desert forms a natural boundary between northern and southern Sinkiang. To the south and southwest of this desert, as noted, there is jade (in the Kuen Lun Mountains which separate Sinkiang from Kashmir and Tibet) and gold. Further west, the "Ferghana series" of oil lands extends from Russian Turkestan, across the border, through Kashgaria, and northeastward to Kuche (Kuchar), being worked for many years at Kanjigan, Aksu, and Kuchar, with refineries at Kashgar and Aksu. To the north and west of Kashgar, near Aksu, and in some other places, copper is found. There are also supplies of coal, and some other minerals.

In the decade before the Russian Revolution, Britain and Czarist Russia worked more or less harmoniously together in Sinkiang, Russian interests being mainly to the north, but the 1917 Revolution changed things. White Russian counter-revolutionaries, escaping into Sinkiang, made raids over the border into Soviet territory, but the Chinese authorities, whose commercial interests were closely bound up with Russian economy, soon put a stop to this, and while the Anfu gang in Peking was giving its full co-operation to the Japanese and other Allies against the Soviet, and ignoring the latter's overtures for friendly relations, the Sinkiang Government reached a friendly understanding with the Soviet Government at Tashkent for the exchange of consular and commercial representatives, the abolition of extraterritoriality, the regulation of Sinkiang-Soviet trade, etc. Soviet consuls replaced the monarchist representatives in Sinkiang, and friendly relations continued regardless of the attitude towards the Soviet of the far-off Central Government, whether at Peking or Nanking.

British bonds with southwestern Sinkiang were strengthened as the Indian railways were extended into Kashmir, and motor roads were built towards the Sinkiang border. Soviet bonds with northern and northwestern Sinkiang, however, were strengthened by the completion of the Turksib Railway, from Novosibirsk on the Trans-Siberian Railway to Aris in Uzbekistan, roughly paralleling the Sino-Soviet border at a distance of one or two hundred miles, from which line motor roads were built towards the Sinkiang border. The Soviet railway was intended mainly to bring the cotton of Russian Turkestan to European Russia, but it performed a similar service for the cotton of Chinese Turkestan, binding this district still more closely to Russia economically. At the present time, the comparative proximity of Sinkiang to Russia and to East China may be gauged from the fact that mail from here to Urumchi is sent via the Trans-Siberian Railway, as far the most rapid route, in spite of the fact that it must travel at present via steamer to Valdivostok.

British expeditions, in the meantime, showed increased interest and activity in Sinkiang, the retired British army officer Schomberg being prominent among the investigators. Less than a year after the Tory Government took office in Britain, and the Japanese launched their invasion of China's northeastern provinces, there was a new drive by the British-trained Tibetan troops into western Szechuen (Sikong) and Chinghai (Koko-Nor), neighboring on Sinkiang, and simultaneously an upheaval among the Mohammedans in Sinkiang. According to Lou Ching, of a Shanghai expedition then visiting Sinkiang, this revolt was financed by four foreigners, one apparently named Strong, who supplied funds for "self-preservation committees, "this resulting in the formation of armed forces, "peace maintenance corps," southeast of Urumchi (Tihwa), though it was many months before these gained any notable strength. By the end of the year, however, they were joining forces with the natives of Karashar, to the southwest, and of southern Sinkiang, adjacent to the Kashmir and Tibetan frontiers, in an armed revolt against Urumchi. *Tass* at Moscow, it is interesting to note today, declared a year ago that "there is no doubt that interested imperialist countries are endeavoring to utilize the present moment to set up in Sinkiang a Mohammedan State hostile to China, which would be dependent upon them and which would serve as a buffer between the U.S.S.R. and China in the northwest just as 'Manchukuo' does in the northeast." In the light of recent developments, these words appear prophetic.

Most of the news received here has been from northern Sinkiang, where the capital Urumchi is located. It was in southern Sinkiang, however, that the rebels first established themselves firmly, taking over Khotan and Korija early last year, and later Yarkand, the Aksu region, and Kashgar itself. In the north, the White Russian troops in the Sinkiang provincial army revolted, at whose instance is not clear though their move was obviously anti-Soviet. Further east came another move from Moslem forces. Only to the north and northwest did

the Chinese authorities retain power. The remnant Manchurian troops of Generals Su Ping-wen, Ma Chan-shan, and Wang Teh-lin, who had been interned in Russia and were now on the border of Sinkiang, were repatriated into that province, where they assisted in the maintenance of such Chinese authority as still existed.

It is significant that changes in the governorship of Sinkiang did not effect a break in the close relations with Russia. The Nanking Government last year arrested and imprisoned the Sinkiang ex-governor when he was at the capital, the direct trade agreement with the Soviet being the reason given. It is not clear on whose behalf the Nanking Government was acting at the time, as the terms of the agreement do not seem to have violated Chinese sovereignty in Sinkiang, but in any case the action was ineffective. The economic life of Sinkiang is much more closely bound up with that of Soviet Russia than with East China, and the new governor appears to have renewed the trade agreement and continued friendly relations with his Soviet neighbors. In the southwest, on the other hand, the economic ties are mainly with British India, more directly with the Moslem state of Kashmir. An anti-Soviet move was to be expected from here, but after over a year of struggle the Chinese authority in northern Sinkiang still held out. When General Ma and his Mohammedans were defeated early in Januray by the regular Sinkiang forces, and the revolt of General Chang at Ili was also crushed, it was evident that the northern government, with its policy of rapprochement with its Soviet neighbors, was not to be soon dislodged.

Soon after came the news that the new government, at Kashgar, had declared its independence of China. Its orientation is indicated by its slogan of "Banish Chinese from Sinkiang," its sending of a mission to the pro-British regime in Afghanistan for "mutual recognition," and its reported appeal to the anti-Kemalist (i.e., anti-Soviet) Turkish Moslems in India and Japan for assistance.

It was evidently with this encouragement that General Ma Chung-yin in the north suddenly broke off the truce with the Urumchi (Tihwa) regime, and made a night attack on the town. He was beaten off, however, with heavy losses, and according to a *Tass* report the arrest of a Russian "White" merchant at the Sinkiang capital, reportedly acting as a go-between for Ma and the new Kashgar regime, has established the connection between the two.

It is clear that there are strong forces working against the "Soviet orientation" of Sinkiang. Britain, Japan, and Nanking are all, evidently, hostile to it, and the discontent of the Moslems towadrs their Chinese overlords can be made use of by the anti-Soviet forces. The economic prosperity of the north and northwestern part of the province, on the other hand, are largely dependent upon friendly relations with Russia. Economically, Sinkiang means much less to the Soviet than the Soviet does to Sinkiang, but there are strategic interests to be considered. An anti-Soviet regime in northwestern Sinkiang would be a direct threat to the Turksib rail communication between the Trans-Siberian Railway and Soviet Turkestan. This, evidently, is a matter of vital concern to the Soviet Union. And it is unquestionably uppermost in the consciousness of Britain's agents at Kashgar.

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The Background of the Sinkiang Uprising

The Shanghai *Shun Pao* (Chinese daily newspaper) comments :—It has been the policy of the British Government to extend its influence as far as possible into Central Asia. The fact that the new government has sent a merchant to Afganistan to negotiate a commercial treaty with that country, and that his intention is to visit India afterwards, indicates that the British are actually pulling wires behind the whole movement.

"It could also be said that the new Sinkiang uprising is a reaction to the Japanese occupation of Manchuria. It is an open secret that the Japanese are not satisfied with the mere occupation of Manchuria and they want to extend their influence to Mongolia, Sinkiang and Tibet as well. The recent activities of Japanese military officers in the north-west all point in the direction that Japan is trying to do someting in that remote province of Sinkiang. Naturally, the British Government does not wish to see Japanese influence extended to Central Asia and is compelled to take immediate action to forestall the Japanese movement. The recent conclusion of a British-Dutch Naval Pact, the decision to complete the construction of the Singapore naval base and the recent independence movement in Sinkiang all throw light on the real object of the British Government. China is now finding herself sandwiched between two great powers. If the balance of power in the Far East is overthrown by their maneuvers, China's position will be extremely precarious."

The Crisis in Tibet and the Panchen Lama; Lull in Tibetan Invasion of West China

THE internal crisis in Tibet resultant from the death of the Dalai Lama, as succinctly set forth by Harry Paxton Howard—based mainly upon British official sources—in a contribution to the *Review* last week, has raised a number of questions of vital concern to China. First of all, there is the lull in the Tibetan invasion of western Szechuen, where a new drive towards the east was under way at the time of the Lhassa ruler's death. Secondly, there is the possibility of a closer rapprochement between Tibet and China again; as the death of the pro-British Dalai Lama makes it possible that the more conservative and rather pro-Chinese lama element will have some power for a time. With this possibility is bound up the feasibility of the Panchen Lama, who has spent the last ten years in China since he became *persona non grata* to the Dalai Lama and the British in Tibet, returning to his native land in a position of great authority, and utilizing this authority for the establishment of closer relations between Lhassa and Nanking.

It has been the conservative lama element which has furnished the real resistance to the "modernization," under British auspices, of Tibet, virtually though seldom avowedly a British protectorate. The powerful ecclesiastics, supported by the superstitious and conservative common people, have checked one attempt after another at innovations. In 1923 a school was established, under a British headmaster connected with the Indian Educational Service, and the Dalai Lama commanded a number of parents to send their sons to the institution, but the bitter opposition of the conservative lamas to the school and its limited religious instruction, and the utterly diverse viewpoints of the headmaster and his Tibetan assistants, made it a failure after three years of struggle and dispute. A Bengal police official was sent to Lhassa to organize a police force there, working cautiously and on the basis of Indian police methods, but this also was a failure, and at the end the unfortunate "coppers" were being tracked down like criminals, and one native police official was shot while attempting to escape.

These things show the power of resistance of the conservative lamas and their supporters among the Tibetan masses. But in things touching less directly the life of the people and the educational monopoly of the lamas, there has been some progress. A telegraph line was completed in 1922 connecting Lhassa with India, a telephone line was also established to Lhassa, a mint (using Indian silver) was put into operation, and even a big hydro-electric plant was constructed, though with the indifference or hostility of the conservatives the use of electricity was limited to the mint and the Dalai Lama's

summer residence. There is even a Tibetan newspaper of sorts, a remarkable innovation for the land of the lamas.

The most marked success in "modernization" has been the drilling and training of an efficient army. The superiority of the British in military efficiency could hardly be denied, and their influence went beyond the mere drilling of troops, and strongly affected the attitude and orientation of the army and its officers, a number of whom were sent to England for education. It was in 1921, after the long visit of the British mission to Lhassa, that the increase of the Tibetan standing army began to be pushed ahead by the Dalai Lama's Government, in spite of the opposition of the powerful monasteries, and of the common people who had to bear the burdens.

This British mission under Sir Charles Bell, which remained in Lhassa through most of 1921, was of vital importance, deciding to give Tibet "reasonable assistance in settlement and development of the country." Some of the attempts were, as noted above, ill-fated, but the army grew both in size and efficiency, though, as Sir Charles wrote regretfully a few years later, it was "hampered by shortage of funds, for the country is poor, and a large share of the revenue is alienated to the priests and nobility." It was probably during the visit of this mission that it was decided to end the dual authority which existed in Tibet through the powerful position of the Panchen Lama.

The Panchen Lama shares veneration with the Dalai Lama as one of the two "living Buddhas," and though in 1922 his temporal power was much less than that of his pro-British confrere, his high standing, and his siding with the conservative lamas, made him an obstacle. The Panchen Lama administered autonomously some Tibetan provinces to the south of Lhassa, between the Lama capital and the Indian frontier, where however his power was already encroached upon by the new Anglo-Tibetan relations. When Gyantse, many years ago, was made a Trade Mart by the Anglo-Tibetan Agreement, Lhassa supervised the mart and appointed its officials. When Lhassa ministers started visiting the district there was bitter protest from its natives, who were obliged to furnish free transport and other services to the Lhassa officials in addition to serving their own local officials. When the new military program came, calling for increased funds, the Panchen Lama found it very difficult—even had he really desired—to lay still further burdens on his people. But the Dalai Lama was far more powerful, and his demands left the Panchen Lama no way out—after the British Agent had refused to assist him as mediator—but flight,—flight to China via the west and north. Tibetan troops were sent after him, but he eluded them, and finally reached Chinese territory, where he has since remained.

It is not impossible that the Panchen Lama would have been driven out anyway, on one pretext or another, by his powerful confrere to whose control over Tibet he constituted an important obstacle. In any case, attempts to reach an understanding with the late Dalai Lama, and negotiations through the British Legation, failed. Now, however, the situation is strikingly changed. The Panchen Lama is now the only Living Buddha of mature years. The Dalai Lama, indeed, is assumed to be still alive, his soul—according to the orthodox belief—having entered into another body being born into the world with no great loss of time, but he is still a little infant, his exact identity has not as yet been established, and for the time being there is only one Living Buddha capable of exercising either spiritual or temporal power in any way. It is not difficult, indeed, for the powerful lamas to carry on their spiritual regency during the Dalai Lama's infancy. But unless the principles of Lamaism are to be quite disregarded, it is impossible now to ignore the position of the Panchen Lama.

In the meantime, the uncertainty of the internal situation in Tibet has apparently been responsible for a lull in the Tibetan drive into West China. From time to time there have been Tibetan advances into western Szechuen (now known as Hsikang or Sikong), and northeastward into Chinghai (Koko-Nor). For the last two years, concurrently with the Japanese invasions of Chinese territory at Shanghai and in the Northeast, there have been intermittent attacks by the Tibetan forces in the West. Last summer a "peace and non-aggression pact" was reported between the Tibetan and Chinghai authorities, while further south General Liu Wen-hui, on the Szechuen-Hsikang border, was being urged by Nanking to negotiate a similar pact with Tibet. The Tibetans were already in control of most of northern Hsikang, and driving eastwards further south, where they were approaching the borders of Yunnan, France's special "sphere."

It was at this time that Sir Miles Lampson, his Chinese Secretary Eric Teichmann (formerly British Consul in West China, where he had negotiated treaties for the Tibetans subject to the approval of the Indian Government), and M. Meyrier, French Consul-General at Shanghai, took a trip to Szechuan, following which a truce was reported, and a lull in the Tibetan drive. This did not last long, however, and in October Tibetan forces, crossing the Yangtze in southern Hsikang, reached and captured Chungtien, in northwestern Yunnan. (Complications regarding this Tibetan invasion of the French sphere had presumably been settled in the Franco-British discussions in Szechuen.) In November the Tibetans were reported to have crossed the Yangtze at still another point, and taken Batang. At the beginning of December General Liu wired Nanking urgently, advising that over 10,000 Tibetan troops, excellently equipped and supplied, were concentrated along the Kinsha (upper Yangtze), preparing to drive east. A Tibetan ultimatum had been delivered demanding the withdrawal of Chinese tropos and the surrender of several districts in central Hsikang. The news of the offensive was confirmed from Chinghai, where the Tibetans had recently established customs stations on the Tibet-Chinghai border. The new drive threatened to take in most of Hsikang, the Tibetans with their British training and equipment (the Nanking Foreign Office reportedly protested to the British Minister to China last year against the British arming of the Tibetan forces) being much more efficient than the archaic Chinese troops of this far interior area.

The death of the Dalai Lama on December 17 resulted in a sudden lull in the Tibetan military activities, most of their troops on the Yangtze front being withdrawn. The situation is now quite uncertain, but it seems likely that for the time being there will be no further Tibetan advance. The army, which is the stronghold of the "new" party in Tibet, will be busy with its problems at home. Tibet remains, to all intents and purposes, a British protectorate, but with the Dalai Lama gone there seems to be no outstanding individual, holding temporal power, on whom the British can depend. What is impending seems to be a struggle mainly between the army and the Church. If the army, with its British support, wins, there may be an end of Lama rule in Tibet, and a new militarist nation, under Britain's protecting wing, may threaten all West China. But such a change will not take place in a day, and in the meantime many things may happen.

In the meantime, the position of the Panchen Lama is quite unsettled. If he is to return, he will have to have the approval of the Tibetan military men who control the border. Even before this, however, he must have the backing of the Nanking Government, which however might be very attentive to a hint from the British Government that it would not welcome the Panchen Lama's return to Lhassa. Britain, and the

Tibetan army, might permit him to come in if they felt it would help to maintain peace and avert a serious civil war. But under such circumstances he would first have to make his peace with the British and the "new" Tibetans,—and they would have certain fairly definite stipulations to make.

Whatever else may happen, China will hardly be able to re-establish any real control over Tibet so long as Britian is Imperialist and British India is an Empire. Unless some radical change takes place in British policy, or in the international situation, the best that China can hope for is closer and more friendly relations with Lhassa, a cessation of the Tibetan drive into Hsikang and Chinghai, and perhaps some purely nominal re-affirmation of China's "suzerainty" over Tibet.

Taunting Criticisms of Cabinet Voiced in Japanese Diet

THERE has been a great deal of criticism of the Japanese Cabinet by party leaders both before the Diet sessions opened and during the present sessions of the Diet. Now and then there is a calm voice, but the general trend of the criticisms is that the present government as represented by the Cabinet is too sleepy, dozes too much, lacks courage to lead the nation in the time of crisis, and more in a similar vein. When one comes to examine more closely what these criticisms amount to it seems that the Cabinet has not been belligerent enough. Thus we find Kenzo Adachi, president of the Kokumim Domei, in a speech made at a mass meeting in Tokyo Jan. 19, making charges as above and amplifying them by stating that

> **"the first of the imperative tasks confronting the nation within and without is to help Manchukuo to complete its national organization"**

and

> **"lest our nation err in her course, the vitalization of national defence on land and in sea is the natural action for us peace loving people."**

So there you have it. Japan isn't swashbuckling enough; she needs to vitalize national defense on land and in sea, "this being the natural action for peace-loving people." This thought was reinforced with the assertion that simultaneously with the perfection of national defense, what is more fundamental and indispensable is to establish a national policy, namely, "the preparation behind the gun, to cope with the emergency." These are the opinions of the President of the third largest political party in Japan, as reported in the English edition of the *Osaka Mainichi*, Jan. 21.

Seiyukai Leader Defends Representative System

Takejiro Tokonami, a prominent Seiyukai leader and former Cabinet Minister, and Chuji Machida, a Minseito veteran, made an eloquent defence in the Japanese Diet Jan. 25, of the exisiting representative system of Government. They brought Premier Saito, Foreign Minister Hirota, War Minister Hayashi and Navy Minister Osumi to task on the question of national thought, the international situation and other pressing subjects.

Masazumi Ando, of Minseito, made a speech in which, while avoiding making open denunciation, criticized the military quarters in some of their attitudes. The fact that Mr. Ando openly asserted that the mission of elected representatives of the people must lie in watching the actions of the Government and assuming a strictly critical attitude towards whoever happens to be in power has been given unqualified endorsement by party circles.

Seiyukai President Says Government Is Incompetent

Addressing a general meeting of the Kokumin Domei at the Seiyukai restaurant at Ueno Jan. 19, Mr. Adachi, the President, strongly denounced the Government as incapable of shouldering the responsibilities of the State in the present emergency situation. Japan, he said, is faced by the necessity of doing many things at home and abroad. Other points in Mr. Adachi's speech were the following: First, she must endeavor to perfect the organization of the new State of Manchukuo so as to make it a happy land for the 30,000,000 people of that country to live in. Secondly, she must remove the various obstacles in the way of her industrial and trade development. Thirdly, the economic organization of the country must be properly reformed on the lines of controlled economy. To all these problems the Government authorities have been paying inadequate attention. Fourthly, there is the agricultural problem. Particularly important are the measures to be taken to relieve rice and cocoon producers and small merchants and industrialists. The Government has been loud in its professions of zeal for the relief of the farmer, but it has done nothing really effectual. Mr. Adachi said he deeply regretted that the authorities are playing fast and loose with this very important problem. He also emphasized the need of reforming the educational system and guiding popular ideas along the right path.

Japan to Follow U. S. in Devaluation Move

America's plan for devalution of the dollar is to have a prompt response from Japan in the form of a Diet measure providing a new gold preservation policy, which is expected by the *Tokyo Asahi* and other newspapers to lead naturally to devalution of the yen and eventual removal of the gold embargo. Observers in Japan believe that the measure will be basically and ostensibly for the accumulation of gold with the unwritten understanding that money spent by the Government through the Bank of Japan for the purchase of gold abroad shall be recovered by the profit accruing through possible depreciation of the yen by amendment to the present currency law.

Japanese Cut into Belgian Trade in Africa

Belgium is the latest country to feel the competition of Japan, not so much in the country itself, as in Belgian's foreign markets, particularly for cotton goods. It is reported that the city of Ghent, an important cotton center usually exporting 60 per cent of its production, has been particularly hit by the results of Japan's competition abroad. Unemployment is constantly increasing in the city, where 10 per cent of the spindles in the filatures are standing idle while the rest have been slowed to 50 per cent of their normal output capacity. The Belgian Cotton Associations carefully investigated the matter and concluded that the export figures of Belgian cotton goods have decreased everywhere on account of Japan's competition in all parts of the world and notably in Africa, Morocco and South America.

England, France and New Zealand Feel Japanese Competition

The Japanese threat to the trade of New Zealand is extremely serious, declared Sir James Parr, New Zealand High Commissioner in an interview in London Jan. 25. He said that Japanese goods were pouring into New Zealand at prices impossible of competition despite the high tariff.

The Lyons (France) Chamber of Commerce Jan. 25 adopted a resolution concerning Japanese competition which demands that steps should be taken by the French authorities to take all necessary measures to protect French industries and France's export trade and that Japanese products competing with French goods should be subjected to quotas both in France, the French colonies and the French mandated territories.

Industrial representatives of all shades in Lancashire (England) persist in demanding immediate protective measures against Japanese competition.

Notables Discuss Japan's "Thought" Problem

At a recent gathering of a number of eminent Japanese arranged by the *Asahi* for a free interchange of views on topics of the day, Takio Izawa, a member of the Upper House, and a former Governor-General of Formosa, expressed the firm belief that Japan is invulnerable to any communist movement, but Lieut.-General Hayashi, of the War Office, emphasized the need of every precaution being taken to prevent its evil effects.

Mr. Izawa said that Soviet Russia has attempted to Bolshevise many European countries, although her attempts had met with little success in all countries with comparatively high standards of living. If similar attempts have met with a

certain meanure of success in Asiatic countries, these countries are all of low civilization. It is, of course, necessary to keep a watchful eye on the Red movement, but Mr. Izawa said he believes that Japan is proof against it, as her past history amply proved. Lieut.-General Hayashi argued that the nation cannot confine its attention to the defence of Japan alone. The nation must necessarily consider the defence of Korea and Manchuria. If these countries become Belshevised, it cannot but affect Japan's national defence as a whole. To set ideas against ideas is more easily said than done. The General added that he is second to none in the conviction that Japan's national polity is unshakably and permanently established, but the fact cannot be denied that the Red movement is proving a menace to Japan's established social order, with the result that her charateristic prestige and strength are impaired to some extent.

Finance Minister Confesses Anxiety About Growing Loans

Addressing the House of Representatives Jan. 23, Mr. Takahashi, the Japanese Finance Minister, after making a comparison between the new Budget and the previous one, went on to say that although in the new Budget some revenue improvement is shown, the increase cannot counterbalance the increased expenditure. The principal point in Mr. Takahashi's remarks were: Large appropriations had to be made on account of the Manchurian affairs, emergency relief works and fluctuations in exchange. Moreover, the present international situation called for a big increase in army and navy defence costs. For the stability of future national finance, however, a big effort has been made to reduce these items of expenditure. As to all other items of expenditure, the Government had to desist almost entirely from increased appropriations. The Manchurian affair expenditure is somewhat lower. In the general account, it amounts to Yen 159,300,000. If to this is added Yen 4,300,000 charges on the special accounts of the Government-General of Korea and the Kwantung Government, the total is brought up to Yen 163,600,000. The cost of armament improvements totals Yen 331,300,000, inclusive of Yen 30,500,000, already voted for the new fiscal year. As one main item of increase in the national defence expenditure may be mentioned the cost of the upkeep of new vessels, amounting to Yen 12,800,000.

The emergency relief expenditure has been somewhat reduced compared with the previous fiscal year, in accordance with the policy originally laid down. The expense entailed by fluctuations in the exchange is Yen 79,600,000 in the general account.

Thus the total expenditure in the new Budget amounts to Yen 2,112,000,000, which exceeds by a big sum the ordinary revenue. On the other hand, it is still premature to enforce schemes for increasing revenue, through higher taxation or by other means. In such circumstances, the Government has decided to make up the revenue deficit by loan issues, as in the previous year. The public bonds to be issued in the general account total Yen 785,000,000 and those in the special accounts Yen 95,900,000. The aggregate, Yen 881,000,000, is Yen 130,700,000 less than in the previous year. The nation must, fully realise the gravity of the financial and economic situation at home and abroad, and then act in close unity and co-operation for the advance of the best interests of the State. They must be ready to sacrifice selfish and sectional intersts on the altar of wider national intersts, so that they can finally conquer the present crisis and help advance the permanent prosperity of the country.

New Japanese War Minister Says Japan Has No Bad Intentions Toward Soviets

Minister of War Hayashi, replying to an interpellation in the Lower House Jan. 27, said that contrary to unfounded rumors concerning diplomatic relations between the Soviet Union and Japan, Japan has not an inkling of bad intentions towards the Soviet Union, and that Japan as well as Russia are in need of "economic bracing."

Japanese Watch Soviet Troop Movements Toward Far East

War Minister General Hayashi when asked in the Diet Jan. 30 whether he did not consider the present transfer and movement of troops and armaments toward Far Eastern frontiers in Soviet Russia as beyond the limit of mere frontier defence, replied that whereas defence must be the primary aim of these troop transfers on the part of Soviet Russia, no one could tell whether or not said troops and armaments were employed for an offensive in a strategic sense.

Increased Japanese-Soviet Tension---C.E.R. Officials Not Released

THE Manchukuo government Jan. 30, despite previous promises to release at least some of the Soviet C. E. R. railway officials, Jan. 30 decided not to release the six Soviet officials of the Chinese Eastern Railway who are being held in prison, thereby very much straining relations between Japan and the Soviets, the latter at no time having been under any illusions as to "Manchukuo" being a puppet of Japan, nor having any compunction about saying so.

The arrest and continued imprisonment of the six Soviet railway employees has been one of the most serious differences between the Soviet Government on one hand and the Manchukuo and Japanese Governments on the other. Negotiations for transfer of the Chinese Eastern Railway were to commence shortly after the six men had been released. The Manchukuo Government had announced two weeks ago that these imprisoned railway employees would be given their freedom within three or four days of that date. The men have been imprisoned since November, when they were arrested on a Manchukuo charge of interfering with operations of the railroad. As soon as the decision to hold these Soviet railway officials still longer was announced, Li Hsiao-ken, Manchukuoan President of the C.E.R. was recalled to Changchun and went into immediate conference with Japanese and Manchukuo officials. Mr. Li was subsequently ordered to remain in Chungchun for the time being and Ting Chien-hsiu, Minister of Communications, was instructed to act as Manchukuo President of the C.E.R. during the remainder of the negotiations.

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The possibility of war in the Far Eastern area, and particularly between Japan and the Soviets, is being discussed more and more in various parts of the globe. Arthur Brisbane, commenting in the Hearst newspapers, writes that if a Japan-Soviet war breaks out the Japanese will remember it for many years to come. The Russians will carry out a real war, he says, because they will be fighting for a country belonging to them, instead of fighting like slaves for the Czarist regime.

Arthur Krock writes in the *New York Times* that United States' military and naval authorities are convinced that war between Japan and Soviet Russia is simply a matter of time. Strong emphasis is laid by the author on the fact that the Trans-Siberian railway is not yet completed and that, consequently, in case of war, the Russians would not be able to transport more than 300 men a day to Eastern Siberia, but that if Japan waits one year or more, the work on the completion of the railway will be sufficiently advanced to enable the Russians to transport reinforcements in adequate number.

A Japanese official report from Moscow to Tokyo Jan. 30 reported that the section in Mr. Hirota's speech which particularly referred to Japan's attitude to Soviet Russia was deliberately omitted in the Russian newspapers. Contrasting this anomolous press policy with the traditionally liberal newspaper policy in other countries of the world, where even exaggerated and hysterical outcries of Soviet leaders are given liberal treatment in the press with no official control, official quarters in Tokyo interpret this as being characteristic of the opportunism of Soviet press policy.

The hope that Japan and Soviet Russia will not go to war in the spring as many observers of Far Eastern affairs predict was expressed Henry T. Rainey, Speaker of the House of Representatives Jan. 29. "However," he added, "Japan is preparing for war as fast as Russia." Mr. Rainey was speaking to a delegation of 25 representatives of anti-war societies, who had gathered at the capital to protest the passage of the Vinson Bill, increasing the strength of the U. S. Navy to full treaty strength.

Cheers and shouts of acclamation interrupted the session of the Communist Congress in Moscow Jan. 30 when a message was read from the Chinese Communist Party promising aid to Soviet Russia if she should be attacked by Japan.

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M. Stalin Wants "Snouts Kept Out of Soviet Garden"

M. Joseph Stalin, strong man of Soviet Russia, predicted world war Jan. 27 in a report addressed to the Congress of the Communist Party, of which Party he is secretary. He predicted a world war and while the rest of the world was freely talking of a Russo-Japanese war, he also predicted a war between China and Japan in Manchuria.

He said Japan's advance into North China had aggravated the position between China and Japan, while the growth of military and naval armaments owned by Japan, the United States, Britain and France would result in a struggle for possession of the Pacific Ocean. After criticising the policies of Great Britain and Germany, the speaker averred that the situation in the Far East, particularly as regarded the relations between Japan and the Soviet, was in serious need of improvement. A section of military thought in Japan was constantly preaching war with the Soviets and the seizure of the Maritime Provinces, and this the Japanese Government made no attempt to stop.

The Soviets were desirous of peace, and would defend the cause of peace, he said, though ready to exchange blows with those who incited war. "Those," he said amid great applause, "who attempt to attack our country will receive an annihilating reply to teach them not to venture again to poke their snouts into our Soviet Garden."

Soviets Say Japan Responsible for Strained Situation in Far East

Moscow *Izvestia*, (Jan. 26) commented:—Mr. Hirota's address, which may have played a certain favorable role in improving the international relations of Japan, can hardly be said to have achieved that end. Mr. Hirota is on the side of formulas stressing the "national mission" of Japan in Asia, starting by an assertion of the satisfactory state of relations between Japan and other countries and ending with the confession that Japanese "foreign relations, now and in the future, are beset with many serious problems." But the path of a rising nation is always strewn with problems. Mr. Hirota made statements directed at the Soviet Union, tending to explain the strained nature of Soviet-Japanese relations by "some changes" which the Soviet position is alleged to have experienced lately. Mr. Hirota evidently meant these statements to lessen the responsibility for aggravation of the situation in the Far East, which, however, rests wholly upon the Japanese. Mr. Hirota cannot, by a few sentences, relieve himself and the Japanese Government of this responsibility. Neither Mr. Hirota's speech nor the appointment of Gen. Hayashi in place of Gen. Araki as War Minister gives any indication that the Japanese Government has resolved, not in words but in deeds, to decisively put an end to the strained relations with the Soviet Union which have been created by the policy of Japanese military circles.

Chinese Comment on Foreign Minister Hirota's Speech

The *Chung Hua Jih Pao* (Shanghai) comments:—Mr. Hirota's speech was characterized by two main ideas, namely, Japan's determination to retain possession of the North-eastern provinces, and her desire that China should give recognition to the puppet state of "Manchukuo." The Sino-Japanese dispute has now assumed international importance, inasmuch as it has already had international Jepercussions—especially in forcing the United States and the Soviet Union to push forward their program of national defence. The rapanese Minister has attempted to regard Sino-Japanese and Japanese-Manchukuo relations separately. In the eyes of China and the world, nevertheless, there is only one question, namely, the Manchurian dispute. So long as this dispute is not amicably settled, there can be no solution for Sino-Japanese relations nor for the world crisis. As regards Hirota's wish for Chinese friendship, friendly relations between China and Japan can only be restored when the latter abandons her policy of aggression against China. It is therefore up to Japan to give concrete proof in this respect.

M. Stalin Lauds Application of the Socialist Economic System

The claim that the example of the Soviets had proved a victory for socialism was made by M. Stalin, general secretary of the Commuuist Party and co-called dictator of Soviet Russia in a Report on internal conditions in Russia before the Communist Party Congress. M. Stalin said that the face of the country had radically changed in the past four years. Large-scale mechanized collective farming had replaced petty private farming, thousands of industrial enterprises had deve.oped, towns had arisen from the waste land, pauperism and unemployment had been stamped out and literacy had reached ninety per cent. He claimed that these enormous changes would be a miracle under capitalism, but, in Soviet Russia they had simply been due to the correct application of the Socialist economic system.

Wellington Koo Discusses Possible German Recognition of Manchukuo

Dr. Wellington Koo, the Chinese Minister to Paris, gave an interview in Amsterdam Jan. 25 in which he expressed grave apprehension that the existing tension between Russia and Japan would lead to war. The interview appeared in the influential Amsterdam newspaper, *De Telegraaf*, and has been widely reproduced in Germany. *Reuters* correspondent in Berlin says that keen interest is felt in the Reich in the situation in the Far East—a fact which has been apparent in military and official circles for some time, for the possibility of such a war, with the consequent diversion of Soviet attention from European affairs, is of very great interest to Germany. Recently there has been much so-called cultural contact between Japan and Germany, Japan's attitude towards the League of Nations and the ambitious and energetic character of her policy greatly appealing to the Nazis.

In the *De Telegraaf* interview Dr. Koo declared that China's attitude towards the Manchurian question remained unchanged. Asked by the interviewer if there was any truth in the rumors that Germany might recognize Manchukuo in return for certain concessions, for example in the matter of former German terriotries at present under Japanese mandate, Dr. Koo expressed the hope that no such thing would happen, as he said, it would be prejudicial to the relations between China and Germany. It would be unfortunate, he added, if the coolness of the relations between Germany and Russia would lead the Reich to seek closer relations with Japan, for Germany had in China a wide market for her products.

The "Will of Heaven" Versus the Republican System

Explaining the reason for the establishment of the Manchu Monarchy instead of the republican state, Premier Cheng Hsiao-hsu stated in the State Council room at Changchun at a recent interview with press representatives that the ardent wishes of the people of Manchukuo for the enthronement of Pu Yi had inspired the government to follow the will of heaven. Pointing to the Republic of China, whose history over two decades has been the repetition of disorder and anarchy, Premier Cheng said that it has convinced the leaders of the New State of the inadvisability of following the republican system.

Among other things, Premier Cheng said:— "The Chinese may laugh at our adopting a monarchical form of government and criticize, saying we are running against the trend of the times, foolishly reviving old morals and old customs; however, in choosing an imperial regime, we are by no means discarding or fighting against the mechanical and material civilization of the West. On the contrary, we intend to take in as much modern occidental civilization as possible and combine them with the good points of the ancient cultures of the east, thereby we hope to create a real 'Wangtao' State and that is the ideal of the Manchu monarchy."

Soviets Protest to Manchuko Against Plane Crossing Amur

The Soviet Consul at Heio on the Manchukuo side of the Amur river on January 10 protested to Yu Lien-ying, Magistrate of Aihunhsien, stating that a Manchukuo airplane had crossed the border from Heio into Soviet territory on January 5. The Soviet consul demanded in the protest to severely punish those responsible persons and to furnish a guarantee against repetition of similar incidents. The local Manchukuo authorities, it is stated, refused to consider the protest, stating that no Manchukuo planes have ever crossed the border.

Manchukuo Teachers to Get Training in Japan

In order further to extend the "Japanification" of the Three Eastern provinces wrested from China, the Manchukuo Department of Education is selecting a group of secondary school instructors to be sent to Japan for study. Preparations are in progress for the establishment of a new higher normal school, which is expected to be opened during this year.

New Manchukuo Ambassador to Japan

Ting Chien-hsiu, Manchukuo Minister of Communcations, is to be made Ambassador to Tokyo after the coronation of Pu Yi, in succession to Gen. Ting Shih-yuan, who has resigned on account of ill-health. Li Shao-keng, president of the Chinese Eastern Railway, is mentioned for the post of Minister of Communications.

Radiophones to Be Installed on S.M.R. Trains

Radiophones will be installed on all South Manchuria Railway express trains between Dairen and Changchun on October, 1, according to present plans of the railway company. The State Railways of Manchukuo will add eighteen new dining cars to their lines by summer.

Fresh Attack in East Chahar Seems Imminent

The situation in east Chahar has taken a turn for the worse, according to Chinese reports which state that Japanese Manchukuo troops are making sporadic attacks on Chinese forces at Lungmensu. The Japanese are allegedly building an air field and laying a motor road in the Fengning district, while lorries laden with military supplies are stated to be running daily between Fengning and Takouchang. The reports add that there is a general feeling that a fresh invasion in east Chahar is imminent.

Bandits in Honan on War-Path

(From the Review's Correspondent at Hankow)

The Peiping-Hankow Express was held for several hours one day this past week at Kwangshui, Hupeh, about 80 miles north of Hankow, due to the presence of bandits to the east of Sinyang. Waiting until daylight, the Express proceeded northward cautiously. Some of Gen. Ma Hung-kuei's ex-soldiers have been rummaging around in the southeastern corner of Honan for more than a year. Other bandit leaders, Huo Kuo-tung and Yang Hsiao-hei, have been harassing the countryside east of Chengyang, to the east of the Peking-Hankow Railway. This past week came fresh news of bandits, 3000 in number, under the leaders, Yang, Ma, Hsiao, and Ku fighting the government troops southeast of Loshan. The bus line has been stopped twice and conditions continue to grow worse. The government troops report that they have killed 100 of the bandits in one encounter and captured twenty. To the south in northeastern Hupeh there is also a resurgence of banditry. The government forces are dealing with the outlaws and 300 are reported to have met death near Chen Hsia Hsiang.

In western Honan and northwestern Hupeh there are reports of bandits under the leaders Ma Hsi-yu and Wang Yu-ku. The former is active in and around Diyang, half way between Chu Ma Tien on the Peking Hankow Railway and Nanyang, southwestern Honan. Wang Yu-ku is still in the neighborhood of Lushih, Honan, northwest of Laokokow. These men did not succeed in joining up with the Reds in Szechuen.

Reds in Szechuen on the Defensive

Szechuen provincial troops under the command of General Wang Lin-chi succeeded in driving the Communists to the north. The Reds are said to have retreated in a northern direction. No doubt the policy of the Reds during the winter season, when ice and snow hamper their movements, is to lie low and to dig in for the winter months. With the supplies and ammunition they succeeded in capturing last Autumn they would have enough to last most of the cold season. Latest reports state that after a seven-day bloody battle the provincial troops captured the strategic city of Matukwan, in northern Szechuen. The 49th and 30th Red Armies met defeat also at Chinshanchang, Lungwanho, Entoushan, all points captured by government troops.

Ho Lung in Straits

With the continued residence in the poverty stricken area of western Hupeh, Red Commander Ho Lung is having a hard time of supplying his men with the necessities of life. There are rumors that he contemplates a return to the more properous districts in northwestern Hunan. Governor Ho Chien of Hunan is on the look-out and has ordered his generals to keep a strict watch along the Hunan-Hupeh border. Ho Lung's forces have been reduced to 4000.

Economic Boycott of the Reds

The expressed policy of the government officials is an economic boycott of the Reds in all areas. However, this plan may not be so easy to work, for there are many "pink" farmers bordering on the Red areas and for handsome tips they will be willing to carry on bootlegging in the face of any government decree. In other words, unless the Red areas can be narrowed down to smaller and more specifically defined sections, it is not humanly possible to police the borders effectively. The economic boycott is not a great weapon in the fight on the Reds and must not be taken for more than it is worth.

Reds in Kiangsi Hibernating

There has not come as much as a whisper out of Kiangsi the past fortnight relative to the Red situation. Apparently the Generalissimo and his cohorts and King Snow have ordered the contending forces to maintain the status quo. No movements of any importance seem to have been made. With General Chiang Kai-shek busy at Nanking and Foochow, there does not appear to be any likelihood of any new developments in the immediate future.

The Kweichow-Hunan Squabble

The energetic General Wang Chin-lieh, who has succeeded in becoming the governor of Kweichow, after the defeat of Gen. Mao Kwang-chang has to meet dissension within and without the borders of his domain. His enemies within Kweiehow province are General Yu Kuo-tsai and General Mao Kuangchang. The governor is not in sympathy with General Chiang Kai-shek, but rather leans toward the Kwangsi party. Therefore it did not come as a surprise that he took part in the confab with the Kwangsi leaders at Nanning. But Gen. Mao also took part in the conference and it is possible that some working arrangement has been decided upon.

However, the latest news from Changsha admits that the Hunanese troops that were rendering aid to the opposition to Governor Wang Chia-lieh's soldier met with defeat and were disarmed by the Kweichow general. Apparently General Wang will brook no opposition and is determined to destroy his opponents at once. The Hunanese troops retreated into Hunan province, 2000 having been disarmed.

Hankow Quiet

The Wuhan area is very quiet. Militarily considered nothing seems to happen. However, the plans for most of the campaigns against the Reds in this wide area are given their last finishing touches at the headquarters in Wuchang, or at the Bandit Suppression Bureau, Hankow.

At present the authorities seem to have the situation pretty well in hand. But there is not the offensive spirit that will force its way to a crushing defeat of the Reds.

Hankow, Jan. 29, 1934.

Japan Seeks New Trade Parley With India

Another Indo-Japanese trade parley, this time in an effort by Japan to obtain reduction of the new Indian tariff on sundry merchandise, is being sought by the Japanese Foreign Office, which, according to *Rengo*, has requested the Indian Government to suspend the new duties pending the meeting. Results in Japan, according to *Rengo's* report, have been disastrous, some manufacturers and merchants having been brought to the verge of bankruptcy. It is stated that the tariffs against cotton hosiery goods, porcelain, ironware and pencils are prohibitive of future trade, and, seeing that those articles are not produced in India, the result will be felt keenly by consumers there. The Japanese Government feels that the result, instead of increasing the revenue of the Government of India through custom receipts, would reduce income by the entire suspension of importation of sundry goods.

Japanese and Netherlands Discuss Quota for Cotton Imports Into East Indies

Japanese cotton traders, interested in the Netherlands Indies, have decided not to send representatives to the Dutch-Japanese negotiations, but will leave the whole matter in the hands of the Government delegates. As regards the short term agreement on cambric to be shipped to the Netherlands Indies, the Dutch Government proposes taking the 1932 figures as basis; Japanese on the other hand have been insisting on 1933. If 1932 is chosen, Holland will have a quota of 60 per cent and Japan 40 per cent, but the 1933 figures will give Japan 75 per cent against 25 per cent for Holland. The whole matter will be left by Japanese traders to the Government delegates.

Washington's Birthday Ball, February 22.

The American Community of Shanghai will celebrate Washington's Birthday in the usual manner, by giving a ball which will be held this year at the Paramount ballroom on the evening of February 22.

Invitations are obtainable at $10 each, the proceeds of which are to be contributed to the American Community Chest in aid of American civilians. A portion is also to be divided between the American Troop and the American Company, S.V.C.

Sub-committees in charge of the affair are as follows:— Decoration Committee: Major C. L. Gawne, U.S.M.C., chairman. Floor & Music Committee: Captain H. D. Rodger, chairman, Lieut. Franklin, Lieut. Taylor, W. A. Adams. Treasurer: P. S. Gilman, assisted by C. M. Wentworth. Cloak, Motor-car and Police Committee: Captain M. G. Neal. Refreshment Committee: Captain G. F. Stockes, U.S.M.C. Publicity Committee: T. O. Thackrey, Randall Gould.

Japanese Dentist Acquires Wine Monopoly in Macao

According to a cablegram from the *Review's* correspondent at Hongkong on Jan. 25, a Japanese dentist by the name of Wada has secured a monopoly on alcohol in Macao from the Macao Colonial Government through payment of $600,000 in Chinese currency. The Japanese holder of the monopoly expects to produce 100,000 cases of wine annually with a view to exporting the same to South China ports for consumption. The monopoly is said to have already affected fifty wine establishments in Canton, throwing more than 15,000 workers out of employment. Following the signing of the monopoly agreement, Chinese wine manufacturers in Canton submitted a petition to the South Western Political Council, pointing out a Japanese plot in acquiring other monopolies from the Macao Government by making Macao the center of distribution of Japanese and Formosan goods, thereby defeating the anti-Japanese boycott movement in South China.

Kuomintang C.E.C. Session Closes with Long Manifesto

WITH due ceremony and packed attendance, the Fourth Plenasry Session of the Fourth Central Executive Committee of the Kuomintang was officially closed on Jan. 25 after a five-day conference. Beyond the re-election of Lin Sen as Chairman of the National Government for the second term and the issuance of a lengthy manifesto, the Session seems to have not accomplished much along the lines indicated in an editorial in the issue of the *Review* last week. The problem of national defense, although its importance appeared to have considerably impressed Gen. Chen Chien (who submitted a resolution on the question), was hardly acted upon with any apparent thoroughness or seriousness, while other important issues, such as rural rehabilitation, Party solidarity, administrative reform and internal pacification generally were dealt with in an equally casual way. Although it is too early to predict what effect the Session will have on Chinese politics in the future, it seems that its net results as embodied in the mass of resolutions passed and in a long manifesto of moral and literary excellence have hardly fulfilled the high expectations of the people.

The 4th and last meeting of the Session was held under the chairmanship of Ku Meng-yu, Minister of Railways of the Executive Yuan. Among those attending was the Panchen Lama, "Living Buddha" of Tibet, who arrived at Nanking on Jan. 24 and was present as an observer. After hearing the routine reports, the meeting re-elected, on recommendation of the Presidium, Lin Sen as Chairman of the National Government and appointed the Panchen Lama and E-Erh-Te-Ni as members of the National Government Council. Important resolutions acted upon at the Session included: Economic proposals largely dealing with the development of Northwest and tax administration and reform political proposals submitted by the Southwest leaders dealing with the reform of political system and fostering of political rule so as to ensure realization of the Three People's Principles of Dr. Sun Yat-sen, and other proposals of varied nature dealing with political tutelage, local autonomy, legislation, finance, education, reconstruction, etc. After due deliberation, they were refeired separately to the various departments of the Party and the Government for further consideration or execution.

Closing ceremonies of the Session were held in the afternoon of Jan. 25 with President Chu Cheng of the Judicial Yuan officiating. In his closing address, President Chu urged that all members of the Party should strive in unison for the salvation of the nation and the consolidation of the foundation of the Party by, internally, rehabilitating the rural districts, suppressing Communists, completing the work of Political Tutelage; and, externally, manifesting the Party's sense of national consciousness.

Manifesto Summarizes Proceedings of Session

After the address, President Wang Ching-wei read out the manifesto of the Session, a summary of which follows:

"In calling the present 4th Plenary Session of the Central Executive Committee at the Capital, this Party, having reviewed its past labors and considered its future policies, has become firmly convinced that the year that has elapsed since the 3rd Plenary Session, was one in which both our foreign and domestic troubles have reached their culmination. In coping with these repeated ebullitions, both the Party and the Nation in general have experienced difficulties of an almost unprecedented nature. From this difficult struggle, however, one singnificant fact emerges, and that is, that the power of national consciousness will hereafter be the main factor in shaping and determining the course of all our national affairs and that the mission of the Party has come to coincide with the general aspirations of the people. This is a fact which has inspired us with new enthusiasm and given us fresh encouragement.

"It will be recalled that consequent upon the Japanese occupation of the Three Eastern Provinces, there occurred, in January last year, the Shanhaikwan crisis, which wae followed shortly by the loss of Jehol. In the battles of Hsifengkow, Lengkow, Kupeikow, our officers and men braving the withering fire of aerial and artillery bombardment, and literally bathing themselves in pools of blood, made a most gallant stand in their attempt to hold their ground. The casualties sustained amounted to over 40,000 in both dead and injured, while the number of civilian casualties is almost countless. Such gallant and heroic fighting has indeed rarely been seen in our history. It shows that the reason why we have not yet been able to attain our object of resisting foreign aggression and wiping out our humiliations is solely because we are deficient in national strength, as no fault could be found with the morale of our troops. We should realize, however, that it was the death-defying spirit of national consciousness that prompted our soldiers to make such a gallant stand.

"When hostilities in North China were at their height, the units then engaged in bandit-suppression were ordered north to assist in the defence. This resulted in the smouldering members of the Red banditry bursting afresh into open blaze. However, since the resumption of the tactics of enveloping movements, officers and men, flushed with righteous indignation, have fought with more bravery than ever and have repeatedly shattered the main strength of the bandits, resulting thereby in the recovery of many important strongholds of the marauders. Complete annihilation is now in sight.

"It is significant to note, in this connection, that the encouragement and support which the nation at large has given towards the Government campaign against the Red banditry has also been unprecedented. This shows that the attempt of the bandits to take advantage of foreign aggression to further their subversive designs served only to intensify the aversion and aroused strong reaction from the deep-rooted patriotism of the people.

"Just when the bandit-suppression campaign was drawing to a successful conclusion, Chen (Ming-shu), Li (Chi-shen) and other rebels staged a revolt in Fukien aiming at the overthrow of the Party and destruction of the State. Hardly, however, had the banner of revolt been raised, when the entire nation rose in condemnation of the rebellion. As a result, the bogus government in Foochow was in danger within barely ten days of its inauguration and collapsed after only a month's existence. Just as the revolt was unprecedented in its nature, so its subjugation was unprecedented in its rapidity. In their triumphal entry into Foochow, the National Army were greeted with a most enthusiastic welcome and ovation by the people. This is another eloquent proof of the fact that the Three People's Principles of the Late Leader (Dr. Sun Yat-sen) constitute the only real guide for the nation's interests and that any attempt to stage fratricidal strife will collapse once it is confronted with the virile spirit of national consciousness.

"It will have been noticed therefore that at every outbreak involving a national crisis during the past year, the latent spirit of national consciousness had burst forth in all its power and vigor.

"In paying our tribute to the gallant soldiers and officers who have fallen in these struggles, we feel it particularly gratifying to note the quiet determination that characterized the national sentiment, the ability of the people to distinguish clearly between right and wrong, their fortitude and perseverence, and the fact that they have kept law and order despite these trying circumstances. This significant fact may in itself be regarded as a guarantee for the future revival of the nation and is one which we wish particularly to impress upon the nation as an encouragement to our further struggle.

"As for the means of national salvation, although there may be thousands of measures, there are however only two fundamental principles, these being: (1) to concentrate the national strength and (2) to consolidate the national strength or vitality.

"Now, there are two essential conditions of a modern State. In the first place, it must have a strong and compact organism; one in which there is good communication between 'its head and tail' and coordination and close junction between its limbs and body. Secondly, it must be an organism, which is strong and sound both within and without; that is, it must have healthy blood circulation within as well as well-developed muscles.

"The lack of either,—power without organization or organization without power—will render it impossible for such a State to maintain its independence externally or to protect its people internally. Thus, from the standpoint of political organization, both unity and reconstruction are essential; while from that of the duty of the individual, it is necessary for the people to unite as well as to strive on.

"The nation is now in a most critical situation. Not only have our lost territories remained unrecovered but those who have designs against us are now attempting to use the relics of Monarchism to assume pretentious titles. Unless we exert ourselves immediately to achieve unity and national reconstruction, and to establish thereby the foundation for resisting foreign aggression, the nation would inevitably face dismemberment and disintegration and sink ultimately into an irretrievable condition. Moreover, the international situation has become such as would allow us no time for dallying.

"After careful consideration, the present Plenary Session is convinced that what should be emphasized today are broay principles regarding national salvation for which the entire bodd of Party comrades and the entire nation must unite together and strive to attain. We should not indulge in mere talk, but should set ourselves to realize and implement our decisions.

"As for the plans adopted at the previous Plenary Session as well as programs relating to political, military, economic, educational, and Party affairs approved at the present Session, we pledge ourselves to carry them into effect through consistent and

(*Continued on page 388*)

Political Significance of U. S.-Soviet Rapprochement as Seen Through Japanese Eyes

(By the Review's Tokyo Correspondent)

(Translations from various Japanese publications)

AT the time when Soviet-American relations were re-established at Washington the Japanese press unanimously commented editorially that it had little or no political significance and attributed the motive to America's attempt at improving her foreign trade. However, public opinion betrayed such an optimistic view and expressed itself through various periodicals other than newspapers.

Whether it was originally prompted by money-making object or by some other non-commercial design, the *Honode*, a most popular magazine, published a novel entitled "Soviet-Japanese War Draws Near" in book form with a preface by General Jiro Minami and Senjuro Hayashi, after having consulted military men on Soviet-Japanese relations, the discussion being published in its January number. Thinking people will never fail to rivet their attention on the sensational advertisement in leading vernacular papers and the colored posters hung up at the booksellers'. The public was impressed by the names of the two Generals printed on the cover of the booklet. Another sensation-monger is a book entitled "Movement of Soviet Russia and Our Preparations" by Kameichi Kashu of the Manchurian-Mongolian Research Institute. This book spares only a few lines for the U. S.-Soviet rapprochment. These are not all. The January 15 issue of the *Yorozuchoho*, an old established Tokyo paper, made no less sensational a demonstration with a full page article consisting of various sections under the headings of "Soviet Russia's Determination Is Now Clear; Only We Have to Make Final Preparation," "Russia Fortifies Its Frontier Beyond the Need for Self-protection," "While Facing Japan with Meek Eyes, Instigates the Masses of Her Own," "Ground-work for Setting China at Japan," "N. M. R. Negotiations are Means for Covering Her Trail in Amassing Strength in the Far East" and "She Fished America's Recognition with C. E. R. Negotiation as the Bait." The text of the last mentioned is given here translated. All these effusions made their appearance during the month of January, and although tense relations between the two countries were heralded in the publishing world toward the close of last year, it was not then done in so concrete a way as at present.

In this way the national sentiment is whetted ever keener, and in certain quarters apprehensions are entertained that, at the time when Japan's relations with Soviet Russia are growing daily strained, the rampancy of such publications may precipitate actual war. Under such circumstances it is only natural that the U. S.-Soviet rapprochement has received scrutiny of the thinking Japanese public. The following are summaries of various opinions on the political significance of the subject, those on economic significance being entirely ignored.

Political Significance of U. S.-Soviet Rapprochement Ought Never to Be Ignored

(By Shin-ichiro Fujita, Sekai Orai, Jan.)

The U. S.-Soviet rapprochement is regarded in many quarters as entirely due to economic considerations. This way of viewing the situation is not in the least unreasonable, especially when we turn our attention to the fact that the imports into Russia from America have been largely replaced by imports from Germany and Britain. It is not at all unnatural that the United States, which had been groaning under the heavy burden of overproduction, realizing the unfavorable state of trade relations with Russia, hastened to restore friendship with the Soviet. It is said that Soviet Russia purposely decreased the volume of import from America, making up for the deficit with the purchases from Britain and Germany, with the object of giving lessons on how the United States must suffer from her non-recognition stand.

It is problematical how far the economic significance carries weight. Taking into consideration the fact that Soviet Russia has small purchasing power and that America's advance of credit may therefore be limited, the much-fussed-about economic significance of the rapprochement may end in mere talk. In such an eventuality it is not impossible that the political significance alone might become predominant. In present-day international relations economic significance can never be conidered separately from political significance; hence the greater the econmic significance the deeper is the political significance. However, political significance never wanes in proportion to the decline of economic significance; rather, it may be that the reduced portion of the economic significance is replenished with the political one

The resumption of relations between Soviet Russia and America has its full significance in Asia, especially in the Far East, but not in the least in Europe. That is to say, the handshake between America and Soviet Russia is made "Via Siberia," or in other words, across the Pacific Ocean.

The international situations in Europe show disregard of the existence of Russia and the same can be said of the Soviet's attitude toward Europe. The Chairman of the League Assembly is reported to have the intention of inducing Russia to enter the League, but it is a proposition next to impossible.

It is an undeniable fact that the center of Soviet Russia is being gradually shifted to the east. The country of Russia since the time of Peter the Great led the restless life of a parasite upon European civilization, until it cut off its western connection completely at its third revolution and commenced its steady journey to the east. That is to say, Soviet Russia is now returning to her old home in the east, just as a plant grows, spreading its branches in the direction of the sunshine.

If there is political significance in the U.S.-Soviet rapprochement, it has nothing to do with Europe but is entirely Asiatic; as if a giant mountain began to glide, the whole of Russia is making its eastward advance and as it moves along further east the pressure of U.S.-Soviet friendship will gradually make itself felt.

To Restrain Japan Is America's Political Motive

(By Dr. Katsuji Inahara, Keizai Orai, Dec.)

Granting that the American recognition of Soviet Russia has economic reason as its background, we cannot but look over the existence of political motive in her translating the schedule into action so abruptly. In reviewing the movement toward recognition of Soviet Russia for the past several months, we feel safe in asserting that the movement did exist but not to such a degree as the invitation to Litvinov indicated. Borah's design was to utilize the recognition solely for the purpose of keeping in Europe the balance of economic power, and others who favored the move were similarly inclined. What then prompted the United States to stretch a warm hand of friendship so pointblank? We notice that the recognition talk began to prevail in America simultaneously with the opening of the C.E.R. sales conference in Tokyo. We believe that the fountain of the political significance of America's restoring friendship with Soviet Russia can be traced up there. These two affairs are so closely related to each other.

The Chinese Eastern Railway is so important to Soviet Russia that without it no Eastern policy of the country can be carried out. But, since Japan sits at the back of Manchukuo showing strong determination not to move an inch, the execution of Soviet Russia's Eastern policy can never be hoped for, without the risk of coming to a frontal clash with Japan. Soviet Russia stood at the parting of the ways of facing square the risk and carry out her traditional Eastern policy or making a retreat and modifying the schedule. She took the latter course. Since the whole length of the Chinese Eastern Railway runs through the territory of Manchukuo, Russia thought it advisable to part with it. In so abruptly proposing the sale of the railway there lies the motive of effecting the sales negotiations as favorably to herself as possible and at the same time of winning the goodwill of both Manchukuo and Japan.

The United States was not pleased with the step taken by Soviet Russia in regard to the C. E. R. Before the Russo-Japanese War the United States took an antagonistic attitude toward Russia which threatened to undermine the open-door policy in Manchuria, and grudged no help in our effort to sweep back the influence. But when after the Russo-Japanese War, which drove Russian power out of the Manchurian plain, Japan

squatted down at the south top of the Liaotung Peninsula, the United States shifted her attack toward Japan. It appears that this policy of the United States is contradictory, but in reality it conforms to her established policy of saving herself.

The history of Manchuria since the Russo-Japanese War is filled with the records of rivalry between Japan and the United States. The Washington and London Conferences are the most glaring examples by means of which the United States attempted to limit our naval strength down to 60 per cent against her 100, while the Nine Power Treaty, born of the Washington Conference, providing for the territorial integrity of China including Manchuria, serves as a barrier against our advance to Manchuria. The outbreak of the Manchurian Incident in September 1931 completely swept away all the American preparations in Manchuria. Then came the independence of Manchukuo, followed by Japan's recognition. What was worse still for the United States she found the League acting short of her expectations. To cope with the situation the United States brandished the sword of the Stimson Doctrine, but Japan giving no heed to such an improvised means of threat, bade farewell to the League of Nations. The official note called the Stimson Doctrine was issued to no purpose, at least in so far as its direct object was concerned.

The United States had to take an attitude of perseverance, but it did not mean relinquish her object; she silently waited for a chance to wrest Manchukuo from our hands. Therefore, when Soviet Russia attempted to withdraw her influence from Manchuria by means of effecting a sale of the C. E. R., she quickly prepared a bait in the form of recognition and tried to draw her nearer to her side.

Viewed from this standpoint America's recognition of Soviet Russia has political considerations in addition to the economic background.

U.S.-Soviet Combined Pressure Unthinkable Save as a Last Resort

(*By Toshio Eido, Le Serpent, Dec.*)

With reference to the political effect of the U. S.-Soviet rapprochement much has been demonstrated by the Soviet side. It is the demonstrators' unanimous insistence that the resumption of U.S.-Soviet relations will bring heavy pressure upon Japan's Far Eastern policy. For the country of Soviet Russia which, in consequence of the appearance of Manchukuo, feels hard pressure in the Far Eastern direction, such a way of viewing the situation is not at all unreasonable. Nevertheless, it is open to question whether the United States, through the recovery of friendship, really aims at restraining Japan in such a degree as is demonstrated by Soviet Russia. Viewed from the standpoint of our country, it can safely be asserted that in establishing her Far Eastern policy Japan must have taken into consideration the possible realization of the Soviet-American rapprochement. That Soviet Russia, which is fraught with weak-points in its domestic affairs, should become extremely apprehensive of pressure from outside and look upon things with suspicious eyes, may be unavoidable. But it is unthinkable that the United States follow suit and takes so nervous an attitude. It is only when the United States finds it unavoidable to fight Japan with all her might, that the United States collaborates with Soviet Russia in bringing upon Japan the combined pressure.

Russia Hooked American Recognition With the C.E.R. Sales Negotiation as a Bait

(*By Yorozuchoho, Jan. 17*)

On October 10 last year the American Government sent a note to Soviet Russia inviting the visit of her representative to a conference on the rapprochement issue. Not to lose the long looked for opportunity, Litvinov hastened to Washington and quickly settled up the affair with the President. Evidently there lies hidden in the negotiations an unscrupulous means made use of by Russia, which we must never overlook.

Soviet Russia wanted to dispose of the C. E. R. at an exorbitant price. At the back of this enigmatic proposal by Russia there is extended her magic hand; she so pretended because she expected the United States might thereby be awakened to the need of resumption of diplomatic relations with bereself—the United States which is ever afraid of the expansion of Nippon influence. In this fashion Soviet Russia succeeded in securing recognition of the United States.

What Causes Russia To Assume Strong Attitude Toward Japan?

(*By Dr. Makoto Yoneda, Gendai, Feb.*)

Following the Manchurian Incident a change was introduced into the diplomacy of Soviet Russia. Soon after the incident she tried to evade brewing causes for a conflict with Japan. Five days after the incident happened the Soviet Consul-General at Harbin declared that his country would maintain neutrality in so far as the Sino-Japanese trouble was concerned. When in November of the same year Japanese troops fought across the Chinese Eastern Railway, the Soviet side made a statement that no loss was caused to her by the action of the Japanese army. And when in March of the following year independence was declared by Manchukuo, Soviet Russia recognized Mr. Li, who represented the C. E. R. interest on Manchukuo's side, although she did not extend formal recognition to the new state. Later, she showed concession in settling up the fishery question with Japan. All these and the proposal of disposing of the C. E. R. and the overture regarding conclusion of the non-invasion agreement clearly endorse her intention to tide over the difficult situations armed with the weapon of Soviet-Japanese amity.

Such an attitude of Soviet Russia has made a radical turn of late. The recovery of her relations with America constitutes one important cause. That President Roosevelt restored normal diplomatic relations with Russia after sixteen years' severance eloquently speaks for his attempt to acquire more markets for home products. On the part of Soviet Russia the situation is different, for, besides planning to secure credit she attempted to menace Japan with the combined influence both from land and sea.

In resuming normal relations with America Russia's attitude made a phenomenal change and officially declared that the American expedition to Siberia was intended to hold in check the territorial ambition of Japan and that therefore she relinquished the claim for the damages. Apparently this assumption by Russia in regard to the object of America's sending troops to Siberia is a pretext. The United States invited Japanese troops to join her Siberian expedition. Sometime afterward when the massacre incident happened at Nikolayevsk followed by Japanese troops' occupying the northern half of Saghalien for guarantee, the United States raised a protest against Japan stating to the effect that, "The United States Government does not recognize the validity of the demand and right resulting from Japan's occupation and control of the territory, nor does she agree with Japan in her act which likely to run counter to the protection of treaty rights or political and administrative function of Soviet Russia." This statement by the United States has no relation to the despatch of troops to Siberia by Japan and the United States, and is as wide of the mark as an attack against Japon's action following the Nikolayevsk incident.

A foxy Russian trick is noticeable in finding a false clue in such quite unrelated affairs to her demonstration as that the United States, by her Siberian expedition, succeeded in holding in check Japan's territorial ambition. Ambassador Troianovsky's movements in Washington are worth our careful attention.

Japan Envious of China's Rapid Aviation Progress

After advocating the necessity for the establishment of fundamental measures to be ready to counter the foreign powers at the next world's disarmament conference and also inquiring into the government's intention for reasonable revision or total abolition of the London Treaty, Vice Admiral Saburo Yasumi, who is on the reserve list and a member of the Seiyukai, in the third day's session of the House of Representatives, Jan. 25, went over the question of America's contribution to the rapid progress of aviation in China. In reply, Navy Minister Admiral Osumi mentioned that effective measures to cope with the rapid progress in the building-up of powerful air forces by Soviet Russia and China are being contemplated by the Japanese government authorities concerned.

Captain Allison Fails to Reach Kweiyang, Returns to Shanghai

The China National Aviation Corporation's Stinson monoplane piloted by Captain E. M. Allison, with Wang Pao-yen as a passenger, arrived in Chengtu Jan. 26, without having proceeded to the originally intended destination—Kweiyang in Kweichow province. Capt. Allison had made two unsuccessful attempts to proceed to Kweiyang, but they proved unsuccessful owing to bad weather. The route back to Shanghai was flown via Chungking and Hankow. Capt. Allison and Mr. Wang arrived back in Shanghai Jan. 30. The purpose of the flight was to secure data with a view to establishing new airlines. The trip has taken much longer than originally intended partly due to the delay incidental to a forced landing in Indo-Chinese territory

Mlle. Maryse Hilz, French aviatrix who was making her second Paris-Tokyo flight, crashed while landing at Alexandrette, near Aleppo, Syria, Jan. 29. The crash was due to the failure in radio communications.

U. S. Admiral Asks for 660 New Planes

Admiral William Harrison Standley, member of the Aeronautical Bureau of the U. S. Navy Department, during the hearings on the Vinson Naval Bill, stated Jan. 25 that 660 new airplanes are needed to equip warships that are now being constructed and will be completed at an early date. This addition, he said, would bring the Navy's air force up to 1,660 planes.

Chinese Government Railways

Shanghai-Nanking and Shanghai-Hangchow-Ningpo Lines

From Shanghai to Nanking: 311.04 Kilometers

From Shanghai to Hangchow: 189.57 Kilometers

The Shanghai-Nanking Line extends from Shanghai, one of the greatest seaports in the world, to Nanking, the seat of the Nationalist Government of China. Short as it is when compared with the other trunk Lines in China, it serves a rich and densely populated district of preponderant importance, politically, as well as commercially and industrially. The whole Line is dotted over with points of known scenic beauty too numerous to be all mentioned here. Tourists and travellers should utilize the train service of this Line at least to visit Soochow, known as the "Garden City of the Orient," Wusih, the picturesque city on Lake Tai-hu, Chinkiang, the "Gate of the Yangtze River," and Nanking, a city rich in historic remains with the new grand Mausoleum of modern architecture for Dr. Sun Yat Sen, Founder of the Chinese Republic.

The Shanghai-Hangchow-Ningpo Line runs southwestward from Shanghai through a tract of beautiful places. At Lunghwa one will see the famous Pagoda with a long history attached to it; at Sungkiang, the observatory of the French Fathers at the summit of Sha Shan and the grave of General Frederick Ward; at Kashing, the South Lake and the Three Pagodas situated about two miles from the station; and at Hangchow, the present terminus of the Line from Shanghai, the renowned West Lake which called forth highest praise from Marco Polo, with such picturesque surroundings that it has been well called the "Switzerland of China." Tourists! A visit to Hangchow by the comfortable trains of this Line will give you the utmost satisfaction of travel and untold pleasure of sight-seeing.

For further information apply to the Traffic Manager of the two Lines at Shanghai North Station.

67-425

A Race for Controlling Fukien

BY PAUL K. WHANG (汪仲芳)

AS predicted, the so-called People's Revolutionary Government in Fukien has had but a very short life, shorter than expected. The Nanking forces have had quite an easy time in marching to Foochow not so much because of their superior military strength as because of their possession of a very fat purse. The 19th Route Army have either lost their former courage and bravery or have broken their pledge that they would not fight their own countrymen. Gen. Chen Ming-shu, the leading spirit of the separatist movement, has to seek haven in foreign lands and bid time for another adventure. Gen. Tsai Ting-kai, who for a second time in his life prepared to fight to death, has yet found that nothing is more valuable than life itself. The people at Shanghai and elsewhere will have no more complaints to make when they can get the usual supply of oranges and olives from Fukien without having to pay exorbitant prices.

We have to express once again our regret over the ignominious end of a very notable career of the 19th Route Army. By their active participation in the present rebellion, their past good record has been tarnished, their universal fame has been forfeited, and their future fate has been sealed. From this sad example, one can deduce that to the ambitious military commanders, honor and fame are yet not worth as much as personal power and wealth, and that the gallant fighters who showed such heroism and patriotism in resisting the foreign invaders two years ago are nothing different from the ordinary mercenary soldiers who are willing to be the tools of ambitious military commanders. The passing of this famed army into oblivion is a tragic event in Chinese history, which will be mourned by all the people throughout the country.

The downfall of the Fukien regime will have a great effect upon the balance of power and political alignment in South China. Fukien has hitherto served as a buffer state, and its elimination will bring the Nanking influence directly into contact with that of Canton. This direct contact may bring upon its train endless bickerings and fightings. It is feared, therefore, that Fukien may eventually become a bone of contention between these two factions and a tinder-box of future civil wars.

Nanking Extends Influence Over Fukien

The Nanking authorities seized the present opportunity to consolidate their position and extend their influence over Fukien, a province which hitherto maintained more or less semi-independence. Therefore they have attached great importance to the present campaign, and have rushed no less than 200,000 soldiers to Fukien in the suppression of the rebellious forces. By virtue of their ample financial resources, they have succeeded in capturing Foochow without meeting any stubborn resistance, and have now firmly entrenched themselves in the northern part of Fukien. They are now steadily moving their forces to the southern part with the hope of bringing the whole province into their control.

The extension of Nanking influence into Fukien can not be viewed with equanimity by the Southwest authorities. They first massed their troops along the Kwangtung and Fukien border to watch the developments in Fukien, and upon finding the imminent collapse of the Fukien regime, they dispatched four divisions to the southern part of Fukien for the ostensible purpose of assisting the Nanking forces in suppressing the 19th Route Army, In the meantime, the Southwest authorities advocated the immediate cessation of hostilities on the part of the central government, and proposed that Generals Chen Ming-shu and Li Chi-sum be asked to announce the abolition of their "independence" in Fukien, that Generals Tsai Ting-kai and Chiang Kwang-nai be asked to purge the 19th Route Army, and that Gen. Tai Chi be entrusted with the task of rehabilitating Fukien.

A race between the Nanking and Southwest authorities has been secretly engaged in with a view to getting the control of Fukien and the 19th Route Army. In order to forestall any precipitate action taken by the Southwest authorities, the Nanking leaders have rushed their troops to the southern port with the object of securing the complete control of the province and bringing the 19th Route Army completely into subjection. Hard pressed by the Nanking forces, four divisional commanders under the 19thRoute Army announced their alienation from the People's Revolutionary Government and their readiness to surrender to the government for reorganization. As a last attempt to win the remnants of the 19th Route Army to their side, the Southwest authorities urged that the 19th Route Army, because of its past good record, should be preserved by all means. This secret race for power and territory will inevitably widen the breach between the Nanking and Canton factions. The seed which has been sown at present will bear terrible fruit in future.

The contest between Nanking and Canton in Fukien has been further complicated by the claim of the Chinese navy. In the frequent civil wars, in the past the Chinese navy has always assumed a more or less neutral attitude, and never on a single occasion has it actually participated in any domestic fightings. But in the present Fukien flare-up, the naval officers showed such a great concern over the Fukien situation that the Minister of Navy personally led a fleet of warships to assist the government forces in crushing the rebellion. Foochow and Amoy were actually captured by the marines. It is reported that a movement has now been conducted by the naval forces to ask the government to appoint a senior naval officer to the chairmanship of the Fukien provincial government.

That the Chinese Navy has had a special interest in Fukien can be readily understood, because its rank and file are largely of Fukien origin. Prior to the transfer of the 19th Route Army from the neighbourhood of Shanghai to Fukien right after the Shanghai "war", the Chairmanship of the Fukien provincial government was in the hands of a navy man, the late Admiral Yang Shu-chwang. The elimination of naval influence from Fukien by the 19th Route Army has long been a cause of complaint among the rank and file of the Chinese navy, and their present active participation in the military campaign is not only an act of revenge, but also a measure for recovering their lost domain.

The appointment of Gen. Chen Yi by the Nanking government to the Chairmanship of the Fukien provincial government is naturally a disappointment to the naval forces, who will not be satisfied until one of their senior officers is awarded with that post. Unless some satisfactory arrangements can be made, the Nanking government will have the difficulty in maintaining the loyalty of the naval forces.

Thus on the surface, three forces, the Nanking, Canton, and naval, have cooperated together in fighting the Fukien insurgents, but each has its own objective to attain, that is, the domination of the whole province. Although the Chinese navy has but a fleet of old and obsolete warships, its services have been still solicited in domestic fightings. In order to keep the loyalty of the naval forces, the Nanking government is not likely to strain its relations with the naval forces to the breaking point. The government, as a measure to partially satisfy the demand of the naval forces, has already appointed Admiral Li Shih-chia, vice-Minister of Navy, to the Committee of the Fukien provincial government.

Kwangtung and Kwangsi Drawn Together

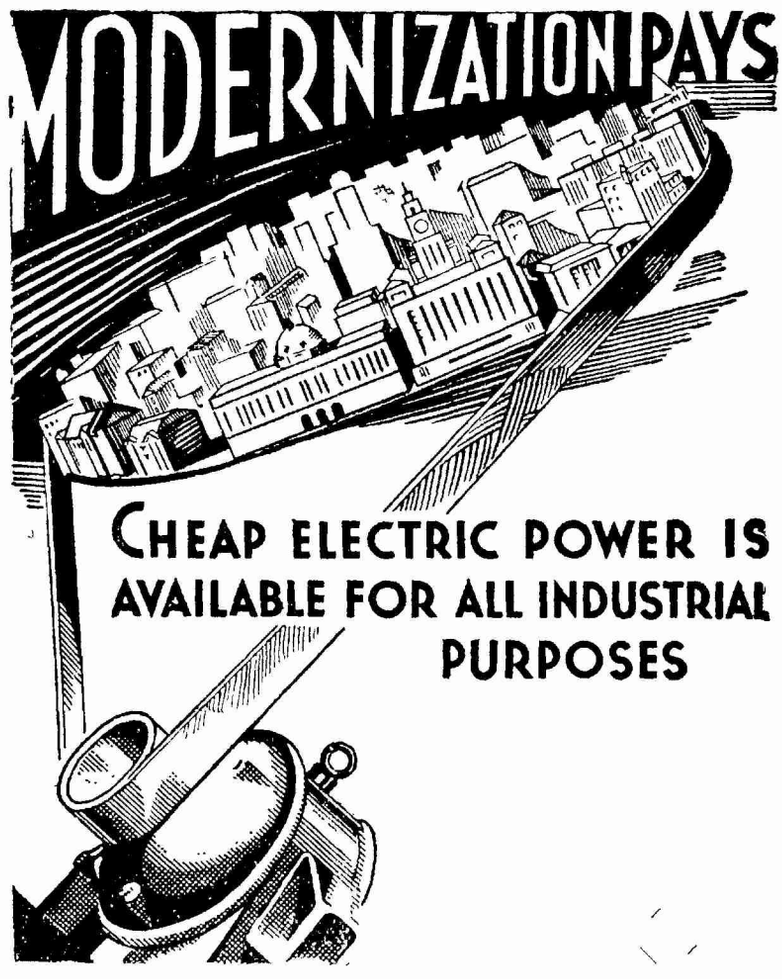
What concerns the Nanking government is not the claim of the naval forces, but the attitude of the Southwest authorities. The extension of the Nanking influence into Fukien will likely drive the military leaders in Kwangtung and Kwangsi into a close union so that they can present a united front against the Nanking menace. With the elimination of the buffer state, Kwangtung is exposed to the Nanking attack. The proverb that when the lips are gone the teeth will be exposed to the cold must strike the Southwest authorities deeply. Thus in the past few weeks, leaders in Canton and Nanning have exchanged their emissaries and attempted to formulate a new policy to deal with this new situation.

Gen. Chen Chi-tang, the strong man of Kwangtung, has not been contented with the rule of one single province. With ample financial resources, he has managed to build up strong land, air and naval forces. Recently he has established a new arsenal. All these measures have been undertaken not merely for the purpose of defending his own territory. Thus in taking advantage of the Fukien crisis, he has poured in his troops to the southern part of Fukien with the intention of adding that province to his domain. Furthermore, he has entertained an ambition to incorporate the 19th Route Army into his forces, so that in time of need these gallant fighters might be of service to him.

Unless something can be done to patch up the differences between the Nanking and Canton factions the present developments will lead to a first class civil war without parallel in China's history. In view of the eventual combination between Kwangtung and Kwangsi and their potential military and financial strength, this war once started may drag on for years, and as a result of the struggle China may perish altogether.

Shanghai, Jan. 29, 1934.

67-426



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Muzzling Peiping's Chinese Press

(*From the Review's Own Correspondent*)

Peiping, Jan. 24.—Evidences that a Japanese-Manchukuo attempt to intimidate the vernacular press in Peiping was succeeding came to light yesterday when it was learned that the *Hua Pei Jih Pao* and other Chinese papers had decided to "soften" their hitherto strongly critical attitude toward the coming enthronement of Henry Pu Yi in Changchun. This particular attempt at press control, the first of any moment since the parlous times just preceding the Shanghai War, was launched last week. Four leading dailies, the *Hua Pei Jih Pao*, the *Shih Chieh Jih Pao*, the *Ching Pao*, and the *Chen Pao*, received warning letters with hand-bills enclosed, to the effect that "drastic action will be taken if the vernacular newspapers continue their sarcastic and scathing comments on the forthcoming enthronement of the Chief Executive of Manchukuo." The warnings were signed with seals purporting to be those of the Yamato Club of Peiping, the Peiping Residents Club, and various monarchical and pro-Manchukuo sociaties. With the exception of the Yamato Club, the other organizations are quite unknown.

Shortly after the warnings were received, plainclothes policemen from the Peiping Bureau of Public Safety were sent to guard the premises of the newspapesr threatened. In this connection, a report current in semi-official circles in Peiping has it that a "friendly" warning of the movement among unruly Manchukuo elements was sent to the Bureau by the Japanese Legation. Although any knowledge of the affair is denied at the Legation, and genial General Yu Chin-ho, Director of the Bureau, declines to jeopardize his good relations with the Japanese by confirming the report, its authenticity is unquestioned by those in a position to know. The action by the Legation has, of course, given *carte blanche* to Japanese ronin elements here to do quite as they please in the matter.

It is evidently this last factor which the newspapers have taken into consideration in deciding that moderation is the better part of valor. At all cost, they feel, a repetition of the Tsingtao and Shanghai newspaper incidents must be avoided.

Twice as Many Fords as Any Other Car in Shanghai

Registrations of motor vehicles for the Shanghai Internationa Settlement and French Concession as of Dec. 31, 1933, showed that Fords were first with 1,776 passenger cars and 855 trucks; Morris (British car) second with 1138 passenger cars and 114 trucks. Other figures follow: Chevrolet, 883 and 327; Buick, 990 and 12; Austin (British) 773 and 14; Studebaker, 509 and 164—the first figure being passenger cars and the second trucks. The figures show that Fords have recorded by far the highest gains during the past six months.

China Refuses Permission to Film "Good Earth"

The application of a group of Metro-Goldwyn-Mayer technicians and cameramen for permission to film in China the "Good Earth" of Mrs. Pearl Buck has been refused by the National Government. The refusal to authorize the filming of the "Good Earth" is based on the ground that the book contains allusions prejudicial to the dignity of the Chinese race.

Sidelights on the Japanese Spy System in Manchuria

(From the Review's Harbin Correspondent)

AMONG those who visited Soviet Russia in recent years there seems to be no second opinion as to the thoroughness and omnipotence of the spy system in that country, all of them agreeing with one accord that all those who enter the country are kept under surveillance of the O.G.P.U. the moment they cross the border, said surveillance being present in trains, hotels, and in the streets. However, a few foreigners in Manchuria seem to have paid attention to the Japanese spy system in Manchuria, which is probably due to the less exposed nature of the system itself, but anyhow it is there.

The writer has lived in Manchuria for a number of years, and during his many sojourns practically in every part of the country, has come to know the presence of this system, though—it should be stated—not necessarily on his own trails. Especially conspicuous has the system become since the outbreak of the Manchurian incident and the establishment of Manchukuo "by the will of the nation," when, as a center of the world news, Manchuria began to attract all sorts of inquisitive foreigners, and, first of all, foreign newspapermen.

A close study of the Japanese spy system in Manchuria, especially in that part of it which is most exposed to the observation of outsiders, reveals that, like in Soviet Russia, the foreigner, whose visit is not wanted but is assented to as something inevitable, is kept by the Japanese police under close surveillance the moment he steps on the Dairen wharf. If he takes the train far inland, his car and the compartment in which he finds himself are specifically noted. From the moment he boards the train and until he arrives at his destination, he is "in charge" of a policeman, either in mufti or in uniform, to be found in the rear of every car, on the bench specifically provided for the police. Practically in all the cases when the man is being "shadowed," his destination is taken note of, and relayed by telephone from the nearest station to the station of his landing hours before his arrival.

The writer remembers one instance when he had himself become, soon after the inauguration of Manchukuo, an object of said surveillance, which culmintted, upon his landing, in an "invitation" to the police quarters of the station, where he was asked—or rather—demanded to answer a shower of pertinent questions centering around his person and the persons of his relatives, both dead and alive, and also the luggage he had with him. Since the luggage included many books and newspapers in languages strange to the officers, the ensuing conversation was not of the pleasantest type, but was somehow overcome, the incident having been luckily solved to the mutual satisfaction of all concerned. About this I mention just in passing, to describe an everyday incident to be withnessed now at every big Manchurian railway station.

The Yamato Hotels as Spy Headquarters

The Yamato hotels, established practically in every big city in Manchuria and catering mostly foreigners, have long been noted as the hot-beds of the Japanese spy system. It is apparent that hardly a moment occurs, when, at any of these hotels, there would not have been present detectives either from the police station, or the gendarmerie, or both together. On the contrary, it is most certain that, in the lobby, or in the room adjoining it, one can find a whole troop of detectives ready to proceed, at a moment's notice, after the shadowed man, for which purpose they have motorcars or motorcycles always ready. If the man happens to pay a visit in town, it is carefully checked and recorded.

It is said on reliable authority that, on the hotel premises, the man who is in charge of recording all movements of the shadowed man, is the very attendant, in the boy's robe, with a desk near the lift, who usually hands over the keys to the man, whenever he comes in or goes out. A careful check in his desk would reveal a little book, wherein he minutely enters all that he observes about the man in question. The writer had an occasion to observe, to his own and the friends' amusement, the whole proceeding at work during his stay at the Yamato Hotel in Changchun, which happened to coincide with the arrival at that place of the Enquiry Commission of the League of Nations, headed by Lord Lytton. Also he remembers clearly the rush in the Japanese gendarmerie headquarters for an additional translator of foreign cables, the force of translators having been found quite insufficient in view of the arrival of a huge number of foreign vistors, all of them taxing the local telegraph office to the utmost. As a matter of fact, a regular force of said translators is maintained even at present.

Especially the Japanese seem to be hostile towards the Soviet citizens, whose movements are being checked and recorded with the carefulness and thoroughness rarely to be seen elsewhere. In every Soviet citizen, irrespective of six, they see a hidden spy, and shadow him wherever he would go. A year ago, a certain Soviet lady, wife of an employee of the C.E.R., lured by pamphlets of the Japan Tourist Bureau about the scenic beauties of the Japanese islands, undertook "a pleasure trip" to one of the spas. Probably, because of her fair knowledge of languages, augmented by the independent nature of her bearing, the Japanese disliked her from the very moment she applied for a visa at the consulate in Harbin, and started to torment her in trains, hotels, and at the spa. Although the detectives would not annoy her in a direct way, one of them was always right by her side wherever she would go, even when shopping. At the spa, she once wanted to undertake a pleasure trip around the place, ordered the car for the purpose, and great was her surprise to see the same detective sitting beside the driver, so she gave up the whole trip as utterly unpleasant. Because of this continuous and relentless shadowing, she had to give up the vacation and returned to Harbin in midsummer, having received nothing but continuous annoyance and ill-feeling towards things Japanese.

White Russians to Spy on Soviets

This is related as an instance of how the Japanese spy system might work. With respect to the Soviet citizens, they usually employ the hordes of White Russians, whom one finds in more than abundant numbers in Manchuria in the police service. These people take special pleasure in scheming all sorts of false reports on the Soviet citizens or institutions, and, if their tales had been given full credence, the entire Soviet colony in Manchuria would have found itself behind the bars in no time. And whenever you would talk with those Whites, they would tell you that, being in the Japanese or Manchukuo police service, they are pursuing the Russian national interests, saving the world from the Bolshevik marasmus, and all sorts of things. And nobody, to be sure, would confess honestly that he is a riff-raff of first water. It is a matter of interest, not only for the writer but for many, to put the same question to many a White Russian policeman, now serving with the Chinese, British, French, Italian, Japanese, and what-not police in the foreign concessions in China, whether they, by thus serving various nations, pursue the same avowed Russian national interests.

A Police Official Who Has Weathered Mano Storms

I have watched with interest the career of Mr. Brockmiller, a "Russian German"—in the Harbin parlance it means a German, born in the former Baltic provinces of Imperial Russia, therefore a Russian by nationality—who now is assistant chief of the Foreign Section of the Harbin Central Police Station, a post held only by a most trusted and responsible official. In recent years, Mr. Brockmiller has changed his political allegiance several times up until 1927 he was an employee of the Chinese Eastern Railway as a Soviet citizen, having been registered as such at the Soviet Consulate. When he was denied Sovet citizenship, for reasons not yet made public, he became a White and, through ways known to himself alone, got a good position in the Chinese police at Harbin, in which he successfully weathered all the stormy days of 1931—1932. Now, with the Japanese in control of Manchukuo police affairs, the man is there, firmly in the saddle. Recently, this ability of Mr. Brockmiller to withstand all political storms was the subject of an interesting talk among friends at a certain club, and all those present agreed that it is almostan insovlvable mystery as to how Brockmiller has been able to continue serving all these years.

A close friend of Mr. Brockmiller, who has known him very intimately for a number of years, stated to me the other day, somewhat sarcastically that Mr. Brockmiller's parlor had seen respectively the portraits of Lenin, Trotsky, Sun Yat-sen, Chang Hsueh-liang, and some of his henchmen. All of them, he said, have now disappeared, having been replaced by the portrait of Pu Yi, which now hangs there in the most conspicuous place.

All the former henchmen of Marshal Chang Hsueh-liang in this city, as Lui Chung-huang (now the Mayor of Greater Harbin), Li Shao-keng (chairman of the Board of Directors of the C.E.R.), Gen. Ching (chief of police), and all the legion of smaller officials, are now vying with one another in lavishing money for presents to "Their Imperial Manchu-ti-kuo Majesties" Pu Yi and his spouse on the occasion of their forthcoming coronation at Changchun. Already a list of "brilliant" deputations is being prepared of those who will be privileged to witness the "auspicious" event, I, for one, also hope to be there and witness the ceremony at very close range.

Harbin, January 24, 1934.

Chinese Government State Lottery

NEXT DRAWING - 2nd MARCH

Prize List

1	First Prize of		$500,000
2	Second Prizes of		100,000
4	Third	„ „	50,000
10	Fourth	„ „	10,000
50	Fifth	„ „	2,000

and over **50,000** *other prizes*

Every prize is GUARANTEED IN FULL by the Ministry of Finance irrespective of the number of tickets sold.

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Freeing the Philippines as an Aid to Pacific Peace

Freeing the Philippines and arranging for their neutrality was advanced in the U.S. Senate Jan. 15 as the best guarantee of peace in the Pacific by Senator Clarence C. Dill, Washington Democrat. The suggestion was made in the course of discussion of the current international situation as the Senate observed the anniversary of the signing of the Kellogg-Briand peace pact. Senator Dill said the treaty marked a great advance in the cause of peace but that the only way to prevent war was to make it impossible for any great nation to begin a conflict without a vote of the people.

Quoting a statement by Woodrow Wilson that the world war was caused by commercial rivalry, Dill added that the same forces were operating today, asserting that the people of Japan were being worked up into "military fervor" because of fear, of attack by the United States. In the same manner, he said, war was being brought nearer on the U. S.side of the Pacific by the fear that Japan will attack America or its possessions. The best guarantee of peace in this event would be given by the U. S. freeing the Philippines and asking Japan and Great Britain to join in maintaining their independence, Senator Dill said after pointing out the vulnerability of the islands to attack.

***In the meantime, it is to be noted that the Hare-Hawes Cutting Filipino indepencence bill, not having been accepted by Jan. 17 by the Filipino people, has become invalid. Manuel Quezon, president of the Philippine Senate, is at present in Washington to urge the passing of another independence measure, but for the moment with little chance of success. From what has been made public so far it would seem that the Filipinos are in the predicament of trying to draw up a bill which would give them the advantages they now possess with the American flag flying over them, yet at the same time giving them freedom from the obligations that such protection implies. As regards suggestions that there should be international guarantees to preseve the independence of the Philippines, is it out of place to recall that there were also international guarantees providing for the neutrality of Belgium?—Ed. *C.W.R.*

Nanking Hints to "Judge" Linebarger that He Talks Too Much

Resentment has been expressed by the National Government in Nanking concerning statements issued by Judge Paul Linebarger, adviser to the Chinese government with offices in New York, according to the *Shun Pao*, prominent Shanghai Chinese newspaper. It is said that Mr. Linebarger's statements contained in the pamphlets he issued from his offices were beyond his functions and authority. During the meeting of the National Government two days ago, it was unanimously decided by the Government leaders that a request should be filed with the adviser that he refrain from speaking so freely and that his pamphlets must not be issued until they are approved by the National Government. The Ministry of Foreign Affairs has been accordingly instructed to notify the Chinese Legation in Washington to inform Mr. Linebarger of the Government's decision, the *Shun Pao* report concluded.

Strike in Audit Ministry Results from Dispute Over Authority

An unusual "strike" has occurred this week at the Ministry of Audit in Nanking; the auditors have refused to attend office in protest against alleged nepotism and other unfair practices of Li Yuan-ting, minister of audit. The difference of opinion between Mr. Li and the auditors of the ministry concerns the question of the sphere of authority of the Auditing Council.

Post Office to Conduct Census of Chinn

The Central Chinese Post Office has been ordered by the Ministry of Communications to conduct a new census of population in China. Branch offices throughout the country have been asked to co-operate in the task. The new census will include as far as possible a detailed survey as to customs, economic conditions and communication developments in the various districts throughout the nation. Wang Chung-wu, head of the Statistics Department of the Ministry of Communications, has been sent to Shanghai to map out the plan for the new census.

Recrudescene of Opium Traffic in China

BY H. J. TIMPERLY

Written for the Manchester Guardian

ATTENTION has been freshly focussed upon the opium question in China by the recent discovery in Peiping of a large consignment of 240,000 ounces, valued at about £35,000, in transit from Kalgan, the capital of Suiyuan province, to Tientsin. The shipment was brought down to Peiping by train under an armed guard, who stoutly resisted when Central government gendarmes attempted to seize the prohibited drug. Finally, after it had been established that the opium was the property of a prominent military leader in Chahar who was sending it to Tientsin for sale in order to purchase winter uniforms for his soldiers with the proceeds, permission was given for the consignment to proceed to its destination. While this is the most flagrant case of official connivance that has been brought to light in Peiping for some time, it is typical of the situation existing in many parts of the country. The subjoined reports culled from the vernacular and English-language press over a period of a fortnight immediately following this incident, which occurred towards the end of December, help to show how widespread and extensive is the opium traffic in China at the present time.

A despatch to the *North-China Daily News* from its correspondent in Kaifeng, Honan, published on December 23, quoted the civil ministry of the Honan provincial government as announcing the establishment of three large opium transporting companies in addition to 47 official shops for the sale of opium. "In Southwest China," reported the Nanning, Kwangsi, correspondent of the same paper under date of December 28, "the government continues to carry on a thriving business in the drug and uses its trained troops merrily to escort large caravans of this 'special merchandise' through the mountains of Eastern Yunnan to the bustling opium mart of Poseh in western Kwangsi, where it is shipped under military escort on motor launches to Wuchow and thence transferred in government gunboats down to the coast for local sale and for shipment to foreign countries. Just recently a caravan composed of 1,000 pack mules and horses carrying over 1,500,000 taels (approximately 550 tons) of these 'special goods' arrived at Poseh and is now being brought down the river as fast as launches can carry it, all heavily escorted by well-armed government soldiers. . . . . Practically every muleteer and caravan follower is addicted to the drug, which is rapidly sapping their manhood and leading them to an untimely grave."

Opium Smoked Everywhere

Opium is "smoked everywhere" in Shensi, according to the Peiping correspondent of the *North-China Daily News*, who recently made a tour of investigation through North and Northwest China. The question of the suppression of opium-growing in this region is probably at bottom, he considers, a financial one. "Shensi is a very poor province, even at the best of times, and receives no contributions from the Central government. Hence the income derived from opium forms a not inconsiderable part of the provincial revenue." Opium is not planted in the neighboring province of Shansi, so far as the correspondent could discover, but it is still smoked there, and apparently in large quantities as a local official stated that over $20,000,000 (approximately £125,000) a year was dissipated in this way by the 12,000,000 inhabitants of the Province. The correspondent found that there was also a great deal of heroin and morphia smuggled into Shansi, though drug pedlers were shot by the provincial authorities whenever caught.

A Shanghai despatch to the Peiping Chinese newspaper *Chen Pao*, under date of December 31, stated that Chou Li-sheng, special commissioner of the Supervisory Yuan, who had been making an investigation in North and Central China, had submitted a petition to the National government asking that all the special tax bureaus in Hupeh province be abolished. In his petition Mr. Chou stated that the main tax bureau in Hankow was controlling the sale and distribution of opium in Hupeh province but that the government only received $20,000,000 (about U.S. $700,000) revenue annually from opium while millions of dollars had gone into the pockets of corrupt officials. "The Hupeh special tax bureau," says a despatch to the Tientsin Chinese newspaper *Ta Kung Pao*, under date of December 31, "has sent a delegate to investigate conditions in North China with the purpose of selling the surplus opium of the provinces of Kansu and Shensi. This delegate has arrived here and will leave for Peiping within the next few days. It is stated that 300,000 ounces of opium packed in 3,000 boxes are ready for shipment and will be sent to Peiping and Tientsin for sale." In despatches published on January 7, the *Asiatic News* Agency, a Chinese organization, stated that owing to official laxity, Yunnan and Szechuen, regarded as the largest opium-producing areas in the country, were able to export great quantities of the drug to the Lower Yangtsze ports without restrictions. "There are scores of opium firms in Hankow, each with branches not only throughout Hupeh, but extending business to Honan, Anhui, Kiangsu, Kiangsi and other provinces. It is understood that the more influential opium merchants are now endeavoring to interest the authorities in certain northern provinces in opium and several small consignments from Szechuen have already been shipped to the north by the Peiping-Hankow Railway."

A foreign official interviewed by a special correspondent of the *North-China Daily News* at Ichang, on the Yangtsze about 400 miles above Hankow, gave the proportion of opium addicts in the city as one-third of the whole Chinese population, which is estimated to total 110,000. "Some months ago," according to a despatch from this correspondent published on January 8, "the headquarters of the Opium Taxation Bureau were removed to Hankow, and Ichang's monthly quota of the drug was limited to a value of $360,000. Enormous as this seems at first sight, it is small compared with the traffic a year or two ago, when the normal opium revenue was reported to be about $30,000,000 (approximately £2,000,000) per annum. Vast quantities of opium still pass through Ichang, however. The writer was told that in January last in four shipments by a Chinese steamship company 5,700 cases of the drug were unloaded at Ichang, 17 cases representing one ton. For this opium, which fetches high prices down-river, the farmers who tend the miles of poppy fields west of Chungking, and who are required by the militarists to allocate a certain proportion of their holding to opium, are said to receive as little as fifteen cents an ounce."

Peiping, January 13, 1934.

Canton Building New Arsenal to Cost $21,000,000

Canton is steadily increasing its armaments in addition to the purchase of airplanes and submarines for the expansion of the Air Force and the Navy. Enormous sums of money are being expended on arsenals. In adition to the expansion scheme for the Shekching arsenal the military authorities have ordered the construction of a new plant at Pakong for the manufacture of arms and ammunition. Work on the construction of the Pakong arsenal is reported to have commenced, while machinery to the value of $16,000,000 has been ordered from Europe. The construction of the plant itself will cost over $5,000,000. There will be factories for the manufacture of heavy guns, machine-guns, rifles shells, and bombs.

Sakatani Explains Why Japanese Sentiment Is Now Against U. S.

Baron Yoshiro Sakatani in an interview in Tokyo Jan. 22 ascribed the recent anti-American sentiments expressed by certain responsible men in Japan to the reaction on this side of the Pacific to the anti-Japanism at one time rapidly prevalent in the United States. "Japan," declared Baron Sakatani, "has among Americans some of her truest friends, who indeed care and have striven indefatigably to bring the two countries closer together in friendship and understanding. In Japan there are also men who have striven untiringly for the attainment of better relations with America. The United States had no better friend than the late Dr. Inazo Nitobe, for instance, and Count Kentaro Kaneko. But these two men at one time were bitterly disappointed in America when after all they had done even at the cost of being publicly reproved by their fellow countrymen, the United State turned her face and permitted the exclusion clause in the immigration bill to pass. There were indeed, many Americans who individually greatly deplored the passing of the exclusion act, but to the Japanese as a whole the fact that America had passed the discriminatory provision came as a final blow. They lost faith in America when they realized that the signing of the 'Gentlement's Agreement' and the banishment of the 'picture bride' practice proved insufficient to bring about American friendship. The reaction has come and that is what we are witnessing today."

"Criticism Like Wine Mellows With Age"

(*From the Japan Chronicle, Jan 17, 1934*)

People are refused admission to countries in these post-war days for all sorts of reasons—a sufficient one sometimes being considered to lie in a suspicion that the would-be visitor does not altogether approve of the style of Government. On such grounds surely no Japanese would be admissible to the territory of a republic. However, it does not work that way. On the contrary, a *Dempo Tsushin* telegram from Hsinking says that the entry into Manchukuo of John B. Powell, editor of the *China Weekly Review* and the China correspondent of the *Manchester Guardian Chicago Tribune* has been forbidden. According to this message, Mr. Powell has been publishing articles, based on falsehoods, denouncing Manchukuo and Japan, and is "known to have acted disrespectfully towards the Japanese Imperial Household." He attempted to enter Manchukuo from Dairen on the 13th instant, but his entry was refused by the Manchukuo Government. Mr. Powell is apparently looked upon with disfavor by the Japanese as well as by the Manchukuoans, for his paper sometimes arrives months late, and is never delivered punctually in Japan. Perhaps the censor, too tender-hearted to refuse delivery altogether, just puts it by for a while, considering that criticism, like wine, mellows with age, and is therefore all the better for keeping. As a matter of fact, it often gains a special interest, owing to events having caught up with its surmises.

Japanese Dairymen Agitate Against Nestle Company

Agitation is being carried on by Japanese condensed milk manufacturers against the activities of the Nestle Anglo-Swiss Condensed Milk Company. The present trouble commenced last summer, when the Nestle company bought the Fujii Dairy of Awaji, despite stout opposition. Japanese manufacturers say that it was inadvisable to allow foreign capital to control interests located in Awaji, a place important from the strategical point of view.

A plan is being pushed by the Japan Dairy Association to establish a new Yen 250,000 company to compete with the Nestle Company. Application has already been filed at Tokyo.

Chinese Police to Take Over Shanhaikwan

Shanhaikwan, located where the Great Wall meets the sea, is to be taken over by Chinese police early in February after months of negotiations between the Japanese and Chinese authorities in the North.

Terms governing the agreement for the retrocession of the city to the Chinese were reached at a Sino-Japanese conference held last week at Shanhaikwan between Tao Shan-min, member of the retrocession committee, and the Japanese commander at Shanhaikwan. It is understood that following the taking-over of Shanhaikwan, all Manchuria government organs will be transferred to Tunglocheng, a town four miles east of Shanhaikwan, which had been forcibly occupied by Japanese troops.

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Japanese Diplomacy in Retreat Before Soviets

BY LOUIS FISCHER*

TODAY Japanese diplomacy is in retreat before the Soviet Union. The retreat commenced late in September when Gregory Sokolnikov, Soviet Assistant Foreign Commissar for Far Eastern affairs, told Ota, the Japanese Ambassador in Moscow, that Japan would be held reponsible for all anti-Soviet acts in Manchuria and that Manchukuo was a Nipponese puppet. The Moscow press thereupon broke out into violent attacks on Japanese imperialism and further reductions in the selling price of the Chinese Eastern Railway. On October 9 the Soviet newspapers broke all precedents by publishing a series of secret Japanese documents revealing Japanese anti-Soviet plans. Japan did not reply. During the period of the anniversary celebrations in November Bolshevik placards, spokesmen, and dailies, which are now usually very guarded in their references to foreign policy, frankly branded Japan as an aggressive and militaristic nation. Finally, when a squadron of Japanese bombers and scout planes flew over Siberian territory on November 3, Moscow warned Tokio that the next time this happened the airplanes would be fired at. The Japanese have been taken aback by this sudden reversal from Moscow's mild and insult-swallowing policy of the last two years. When Ota astked what it all meant, a Soviet publicist said it meant just one word: "Stop." The Bolsheviks have called Japan to a halt.

Soviets in Confident Mood

The new Soviet firmness vis-a-vis Japan is easily accounted for The country is now in a confident mood. The harvest was good. Collectivization is definitely established. Industrialization makes steady progress. The Bolsheviks have not the slightest doubt that their army is better than Japan's in fighting spirit and mechanical equipment; that the Japanese army has never encountered a major Western force and that it exhibited its poor offensive qualities at Shanghai, while the Red Army has been tested in the fire of battle and proved its worth; that the Red air fleet is stronger than Japan's and could bombard Japanese cities while Japanese planes could never reach important Soviet population centers; that Russia's war industries for the manufecture of tanks, automobiles, aeroplane motors, guns, and so forth are superior to Japan's; that the U. S. S. R. stands far ahead of Japan as a heavy-industrial nation; that despite the weakness of the Soviet fleet, infantry and aeroplanes could repluse any Japanese attack on Vladivostok; and, to sum up, that Japan could not win a war against the Soviet Union. The Trans-Siberian Railway is a weak link, but the Soviet government is constructing another line from Orenburg to Orsk to Stalinsk to Minusinsk, crossing the Trans-Siberian at Taischet-Kirensk, and is probably building other railroads as well as motor highways on which information is not available. Moreover, Moscow has practically completed its program of creating a Far Eastern military autarchy which makes the Khabarovsk region largely independent of European Russia as far as ammunition, clothing, food, and soldiers are concerned.

Japanese Trim Diplomatic Sails

The Japanese know all about these developments and are trimming their diplomatic sails accordingly. For two years, from September, 1931, when Japan suddenly descended upon sleeping Mukden, to September, 1933, the Bolsheviks persisted in a painful policy of patient tolerance. Several times they offered Tokio a non-aggression pact. Tokio refused. "We need a free hand," Hoki Hirota, now Japanese Foreign Minister, said to me. The Bolsheviks offered Japan a commercial treaty. Japan refused. The Bolsheviks suggested the exchange of trade and good-will delegations. Japan did not react seriously. The Bolsheviks proposad the sale of the Chinese Eastern. Japan assumed that Moscow had decided to cede the railway and was only asking for a nominal selling price in order to "save face." Finally, when the Japanese began to arrest Soviet officials of the C. E. R. and prepared to seize the railroad, Moscow banged down its miled fist—mailed during two years of intensive activity in Siberia—and declared: "We have had enough." The Japanese understood this kind of language where they had not understood the language of peace and conciliation.

The resulting Japanese diplomatic retreat commenced before President Roosevelt took the first steps toward Soviet recognition. But that retreat has now been hastened by recognition. The retreat and Litvinov's stay in America have helped the Russians to give more definite shape to their Far Eastern policy. This may now be roughly outlined. Moscow will sell the Chinese Eastern for what it is worth, say, $100,000,000 in gold. Moscow, however, will not recognize Manchukuo *de jure* except under exceptional circumstances. Recognition of Manchukuo would prejudice the territorial integrity of China, a principle to which the U. S. S. R. and the United States are both equally committed

The non-recognition of Manchukuo, however, must not be taken to mean that Russia is interested in a sphere of influence in Northern Manchuria. The Soviet Union has definitely renounced that sphere of influence. In 1926 Japan proposed to Moscow the division of Manchuria into Japanese and Soviet spheres. Moscow rejected this imperialistic suggestion seven years ago, and still abhors anything that smacks of it. Moscow is out of Manchuria and is reconciled to having Japan as a land neighbor intrenched in Manchukuo. When I asked a maker of Soviet foreign policy why, if that is the case, they should not recognize Manchukuo, he said: "Why should we? We are thinking of China." I suspect they are also thinking of America, which is violently opposed to Manchukuoan recognition. Some time ago the Kremlin might have recognized Manchukuo as part of the aftermath of a Soviet-Japanese non-aggression pact, but the new ratio of military power in the Far East and the establishment of Russian-American diplomatic relations have somewhat modified that attitude. Perhaps Moscow will now sign such a pact if Tokyo strongly urges it. The Soviet government wants peace with Japan. Russia has absolutely nothing to gain and everything to lose from war. But the past has convinced the Soviet government that a mild, moderate, and humble attitude is not conducive to peace. The United States government probably takes the same view of the non-aggression pact which Japan has offered it.

Russia's Military Strength in Siberia

Russia's new military strength in Siberia coupled with the incipient Soviet-American rapprochement is a guarantee of Far Eastern peace. The worst threat to that peace is the Japanese fascist movement which seeks to make capital out of a most difficult economic situation. The Japanese army and navy will spend 875,000,000 yen in 1934 out of a total federal budget of 2,017,000,000 yen—43.3%. Instead of allocating more money for the relief of peasants and industries, the reactionaries are asking for additional military expenditures. Politicians who do not comply help their assassins to become national heroes. The atmosphere in Japan is electric with possibilities of violent change. Recognition of Russia by the United States has served notice on the military hotheads that no matter what they do at home, they must be more circumspect abroad. France, Russia's new friend, is likewise interested in diminishing the war danger in the Pacific, and should take steps to remind Japan in very concrete fashion of that interest. Ultimately, the Powers may have to get together to save Japan from her social-economic-territorial dilemma and from herself. For if she attacks Russia she may break her neck; and that would have disastrous world consequences. But it is probably too much to hope that the bourgeois nations, who today watch the Franco-German problem, which has already provoked two wars, prepare the field for a third, will have enough sense to safeguard the capitalist system from a serious body blow in Eastern Asia. Communist Russia must do it, and capitalist America will assist her in doing it. Moscow's new firm policy vis-a-vis Japan is the best thing for Japan and the best means of improving Soviet-Japanese relations.

Part of a dispatch from Moscow, dated Dec. 3, which appeared in the "Nation" (N.Y.), Jan. 3.

The N. E. C. and League Technical Cooperation

Commenting on the program of the National Economic Council, the *China Times* expresses confidence that the Standing Committee, which is entrusted with task of devising plans for pushing ahead the work of the Council, will be equal to its important mission. Referring to the technical collaboration of the League of Nations with the Chinese Government, the journal observes that the word "collaboration", though commonly used in this connection, is not entirely satisfactory as it implies a certain amount of reponsibility, whereas the word "cooperation" is free from all ambiguity. For this reason, it recommends that instead of employing the term "technical collaboration," it would be more advisable to say the "technical cooperation" of the League of Nations.

Continuing, the journal remarks that though the League has failed ignominiously to settle the Sino-Japanese dispute, the Chinese must not, however, on that account, under-rate the value of its technical cooperation. In order to avoid international misunderstandings, the Chinese Government must accept the technical cooperation of any Member-State only as part of the cooperation from the League of Nations. In view of the vastness of our country, the National Economic Council, in carrying out its plans of national reconstruction, must not confine the attention and efforts of its foreign experts only to one part of the country. The journal also expresses the hope that the National Economic Council will spare no efforts in maintaining the purity of its administration.

Outlook of the Impending War Between Soviet Russia and Japan

BY CHEN PIN-HO (陳彬龢)

(Continued from last week)

(b) *Comparison of Natural Resources :*

The principal lines of physical resources connected with national defence are : (1) iron and steel and other metals ; (2) fuel supply and power ; and (3) chemical industry.

(1) *Iron and Steel and Other Metals*

a.—*Iron and steel :* The Soviet Union occupied the sixth position in iron production in 1929, but has advanced to the second position of the world or the first position in Europe by 1932. In steel production, she occupied the fifth position in 1928, but has advanced to the first position by 1932. The production of iron and steel in the Soviet Union during 1913, 1928 and 1932 are stated below :—

		1913	1928	1932
Iron ore - -	(Tons)	4,200,000	3,288,000	6,208,000
Steel - - -	(,,)	4,231,000	4,176,000	5,885,000
Steel-plate - -	(,,)	3,506,000	3,367,000	4,234,000

The deposit of iron ore in the U.S.S.R. was reported to be 2,000,000,000 tons in 1913, but, at present, it is found to be 8,567,000,000 tons, amounting to about 14% of the total iron deposit of the world.

b.—*Other Metals :*

Metal	*Deposit*	*Year of*	*Production*	*Remarks*
Copper	14,000,000	1932	150,000	Production : 30,000 tons (1913) and 34,100 tons (1929-30). A large copper factory is being established in Kasakatan, location of the richest deposit of copper. It is estimated that, when the new factory is in operation, its production will be 175,000 tons a year.
Zinc	6,500,000	1931	31,000	Production : 39 tons (1913) and 8,300 tons (1930)
Lead	3,300,000	1930	26,900	Production : 1,500 tons (1913) and 4,300 tons (1930)
Manganese	588,000,000	——	——	Deposit amounts to about two-thirds of the world.
Aluminum	4,000,000	1932	80,000	
Tin	——	——	Several thousand tons.	The Lake Baikal district has rich deposits of tin.

According to reports of the Geological Investigation conducted during the period of the First Five Year Plan, the Soviet Union possesses rich deposits of practically all of the 75 kinds of metals. This country now produces and also exports rare metals such as vanadium, lanthanum, molybdanum, tungsten, lithium and rubidium, which were unknown to the Czarist regimes.

(2) *Fuel Supply and Power*

The deposits of fuel supplies in the U.S.S.R. now occupy the second position—inferior only to the United States of America—of the world. The percentages of such supplies and power as compared to the entire deposits of the world are :

Coal - - - - - - - -	45.3%
Petroleum - - - - - - -	34.4%
Firewood - - - - - - - -	17.5%
Water-power - - - - -	35.7%

The deposit of coal amounts to 1,013,000,000,000 tons, though the properties of such areas as the River Yenisei valley (estimated at 200,000,000,000 tons) and the River Lena valley (estimated at 400,000,000,000 tons), which have not been investigated, are not included. The production of the pre-revolution period was 29,000,000 tons in 1913, but it reached 63,000,000 tons in 1932.

The deposit of petroleum occupies the first position in the world—being 151,400,000 tons. The production of pre-revolution period was 9,000,000 tons, but in 1932 it has increased to 22,000,000 tons, occupying the second position of the world and the first position in Europe.

(3) *Chemical Industry*

The chemical industry is vitally important from a military point of view. The production of sulphuric acid and soda ash is shown in the following tables :—

		1913	1928	1932
Sulphuric acid -	(Tons)	110,000	243,000	495,000
Soda ash - -	(,,)	154,000	230,000	288,000

The Soviet Union produces sufficient rubber material for domestic consumption. The large Yaroslavsk Rubber Factory has been in operation since 1932, and produces about 6,000,000 rubber tyres for automobiles, and other articles valued at about 900,000,000 rubles a year.

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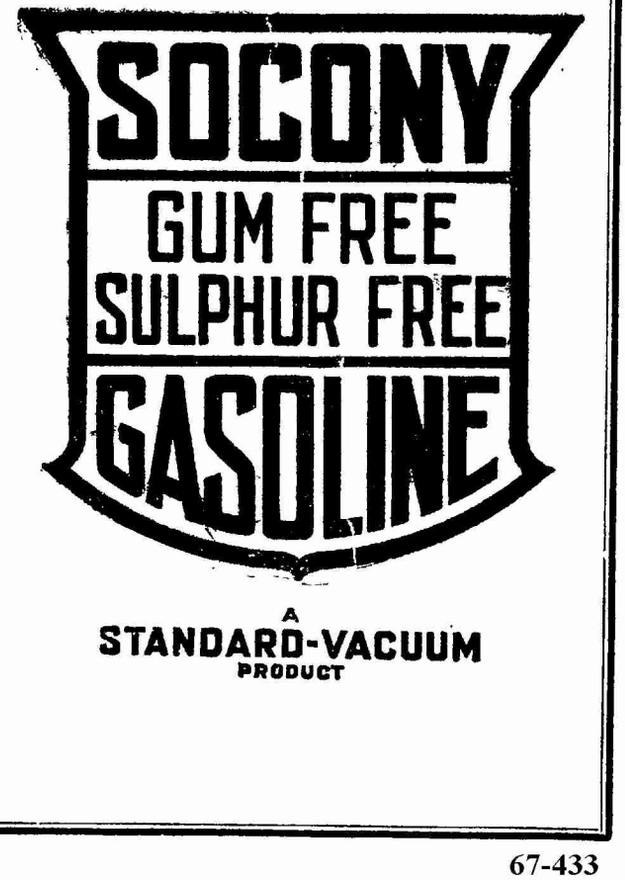

67-433

(Foregoing data is quoted from the *Pravda* of January 1933; N.N. Baransky's Geographical Study of the U.S.S.R., Book 2 pp 56-58 and the Encyclopedia of the U.S.S.R., Vol. 9)

According to the "Summary of the Fulfilment of the Five Year Plan for Development of National Economy of the U.S.S.R." published by the State Planning Commission, the relative positions of the various industries of the Soviet Union as compared to the world are as follows upon completion of the First Five Year Plan :—

Industry	1913	1928	1932	
			The World	*Europe*
Electricity	15th	10th	6th	4th
Coal	6th	6th	4th	3rd
Iron	5th	6th	2nd	1st
Machinery	4th	4th	2nd	1st
Petroleum	2nd	3rd	2nd	1st
Agricultural implements	—	4th	1st	1st
Tractors	—	4th	1st	1st
Charcoal	—	—	1st	1st
Automobile	—	15th	6th	4th
Industry in General	—	5th	2nd	1st

Now, let us look back at Japan. Her national resources of a militant nature may be seen from the following data quoted from the "Encyclopedia of National Defence," 1934 edition, pp. 109-116 :

Iron Ore.—There are at present ten iron mines in Japan, but their production is limited. The majority of iron ore needed comes from Korea, while varying quantities are also brought from foreign countries—particularly the Straits Settlements. The Japanese are doing their best to develop the deposits of iron ore in Japan and Korea in order to provide a sufficient supply of that important metal.

Cast Iron and Steel.—The demand of cast iron and steel is growing every year. In 1930, Japan's consumption of cast iron and steel amounted to 1,710,000 tons and 2,210,000 tons, respectively. The production is being promoted, in order to meet the growing demand.

The existing establishments for the manufacture of steel are adequate, and no expansion is necessary in the immediate future. The Yakata Iron and Steel Works are endeavoring to improve the method of manufacturing. The systematization of industrial undertakings—such as control of the manufacture of wrought iron, steel and steel-alloys, has reduced the cost of production and simultaneously improves the quality of the product. The quantity of production is also increased. Although the production has grown, the demand is equally large. Thus, the quantity of materials, such as iron ore, steel ashes, bars and plates, imported from foreign sources has advanced every year, averaging 1,550,000 tons annually. Of the import excess of Yen 160,000,000 during 1929, the value of imported iron and steel amounted to Yen 112,000,000 —about 70% of the total of excess. The value of machinery and other steel products imported by Japan is about Yen 100,000,000 every year.

Steel Alloys.—These important materials are needed in the manufacture of airplanes, ships and artillery guns as well as other important articles Such as springs and coils. Japan produces adequate quantitioes of these for her own use.

Barnhardite.—Japan claims many deposits of barnhardite. The annual production is about 600,000 tons.

Copper.—Japan occupies the third position of the world in copper production. Prior to the World War, she used to export large quantities of this metal, but in more recent years, she has imported copper from foreign sources.

Zinc.—Zinc is the important material for shells and shrapnels. Japan produces about 19,000 tons, which amount to about 30% of the consumption. The remaining 70% are imported from the United States of America and Canada.

Lead.—Japan produces only a small quantity of lead, and of her needs—66,000 tons annually, over 90% are obtained from Canada and the United States of America.

Aluminum.—This light metal is widely used in the manufacture of aircraft and automobiles as well as electric wire and weapons. Its military value is selt-evident. As Japan does not produce aluminum, large quantities are imported from foreign countries,—1914 : 500 tons, and 1924 : 12,000 tons.

Nickel.—Compounds of nickel-steel and nickel-chromium are important materials in the armament industry—particulary in the manufacture of weapons of modern warfare. Japan produces no nickel but imports it from foreign sources. An effort is being made to find a substitute for this metal.

Chemical Materials

During the World War, Japan was affected by a serious shortage in the supply of chemicals. Since then, she made strenuous efforts in promoting her chemical industry. At present, therefore, Japan exports chemical products to the value of Yen. 270,000,000 a year.

Although the natural resources are inadequate, the Japanese have been outstanding in their ability to convert wasteful materials into useful things—such as artificial silk, artificial dyes, fertilizers, artificial camphor and soda-nitrate—which are better than natural materials.

Rubber.—As no rubber is produced in Japan, it is imported from foreign sources. Fortunately, the sources of supply—India and the Strait Settlements—are located not far away from Japan; hence no great difficulty is encountered in securing a sufficient supply of rubber.

Sulphurous Ammonia and Saltpetre.—These chemicals are important elements of high explosives as well as fertilizers (an indirect factor in the food supply problem). Japan needs fertilizers to the value of Yen 300,000,000 a year,—of which 60% is imported from foreign sources. In regard to the manufacture of explosives, the private undertakings of small capacities are being replaced by large government enterprises. At present, the annual consumption of about 4,000,000 to 5,000,000 grams of explosive powder is met by the Army's Arsenal, Japan Powder Company and the Imperial Powder Company. Small quantities are also imported from abroad.

Glycerin.—Japan produced 1,200 kilograms in 1925, and 4,000 kilograms in 1928, of this important chemical; while large quantities are also imported every year amounting to about 62% of the demand.

Caustic Soda and Soda Ash.—These materials, widely used in the munition industry as well as in dyeing, glass and soap works, are imported from abroad, as Japan is already short of salt, the important element of soda, in ordinary use.

Salt.—About 30% of Japan's demand is imported from foreign sources.

Fuel Supply and Power :

Fuel supply and power are of vital military value—particularly in the navy. The supply of Japan is as follows :—

Coal.—Coal is still widely used today, not only on steamers and locomotives, but also in the dye, fertilizer, explosive and poison-gas industries.

The production of coal in Japan is yearly increased and has reached 34,000,000 tons annually, according to latest figures. As Japan consumes an average of 30,000,000 tons of coal a year, her own supply is sufficient to cover the demand.

Petroleum.—According to latest reports, Japan produces about 260,000 tons annually, amounting to one-fifth of her demand. In 1929, she imported over 1,100,000 tons valued at Yen 95,000,000. The Japanese navy consumes about 300,000 tons in ordinary times. When in action each battleship consumes about, Yen 10,000 of petroleum for 24 hours, while at top speed it requires Yen 60,000 of petroleum for the same length of time. If the entire navy is taken into consideration, the consumption of petroleum is enormous.

Besides, automobiles and airplanes consume large quantities of gasoline.

Petroleum oil is produced in the Akita and Niigata districts (260,000 tons) and also in the southern section of the Sakhalin Island (200,000 tons). As the domestic supply is utterly inadequate, Japan has to obtain supplies from foreign sources. Recently, Kochiro Matsunata went to the U.S.S.R. on the mission of seeking an oil agreement with Soviet interests.

From the foregoing it may be noted that Japan is largely dependent upon the resources of foreign lands. When she wages war with a foreign country, her material supply will be curtailed though she may still be able to obtain supplies from other countries. In the case of the Soviet Union, however, the natural resources are more adequate as shown by the data aforementioned.

(c) *National Economy :*

The factor of national economy will also be a barometer of war. Even should a given country be advantageously disposed in its military situation at the front, adverse conditions of domestic economy would serve to upset all calculations.

According to the "Summary of the Fulfilment of the Five Year Plan for the Development of National Economy of the U.S.S.R." recently published, the conditions of the Soviet people are thus :

Clothing.—The Soviet Union is amply supplied with the materials of clothing, such as wool and leather. The planting of cotton has also advanced, as a result of the first Five Year Plan, in the Central Asia region. The gross investment of the textile industry has increased from 201,900000, rubles in 1928 to 500,000,000 rubles in 1932. That of the sewing industry has increased from 285,000,000 rubles to 1,550,000,000 rubles during the same period.

Food.—The U.S.S.R. is one of the largest depots of food supply in the world. Staples, such as wheat, barley, corn, sugar, and meat, are produced in enormous quantities and, more recently, are also exported to foreign countries.

The area of cultivated land has increased from 113,000,000 acres in 1928 to 134,000,000 acres in 1932.

Prior to the execution of the first Five Year Plan, the Soviet government was able to concentrate from 80,000,000 to 100,000,000 bushels of grains, but in 1932 it was successful in concentrating from 200,000,000 to 300,000,000 bushels. The harvests of 1933 were abundant, and the situation is still better.

Housing.—The Soviet Union has recently experienced considerable difficulty in the housing problem. Now that the supply of building materials has multiplied, she is probably in a better position to find a solution of the question.

In Japan, the population has rapidly grown since the reformation movement of the Meiji regime, causing an increasing shortage in the supply of daily necessities. Her international trade is always featured with excesses in the volume of imports. Further, as her financial ability is also far from being satisfactory, Japan's foreign indebtedness has mounted year after year. According to the "Physical Japan" of 1933, pp. 31-37, the conditions of Japan's national economy are as follows :—

Clothing.—Japan produces large quantities of silk and artificial silk as well as a limited quantity of jute, but is dependent upon foreign lands for the supply of cotton and wool. In the past three years, she exported silk and artificial silk to the amounts of Yen 450,000,000 and Yen 50,000,000, respectively, but imported cotton and wool to the values of 70,000,000 and 100,000,000 yen, respectively.

Food.—Japan's food supply is largely obtained from abroad. The volume of rice, wheat, beans, sugar and salt imported each year is valued at about 150,000,000 yen.

Housing.—The supply of building materials is comparatively satisfactory, but large quantities of lumber and metals are also brought from abroad.

The fact that Japan is dependent upon foreign countries for the supply of daily necessities of her citizens, will probably prove fatal to her if communications on the coasts are blockaded in the event of war.

Conclusion

On basis of the considerations and comparisons stated in the foregoing, every close observer is probably able to draw his own conclusion as to the possible result of the impending war.

Although it appears that any prediction in this direction is yet premature and seemingly fantastic, the fact remains true that, among different circles interested dircetly or indirectly in the situation, discussions, even debates, are being held concerning the nature, scope and effects of the impending war between the Soviet Union and Japan.

The author has merely tried to present to interested parties what pertinent data are available in regard to the situation, in the hope of furnishing a background on which any individual may draw his own picture.

Personally, the author is inclined to think that, unless more than two countries are involved, ultimate victory of the impending war will probably go to the Soviet Union.

Shanghai, Jan. 13, 1934.

Japanese Lawyer Puts Up Strong Defense for Foreign Pirates

In the trial by a Japanese court at Dairen of four Germans and a Swiss charged with murder and robbery in connection with the seizure on June 28, 1933, of the Chinese cargo-boat *Sheng An*, Mr. Matsumoto, defense counsel appointed by the Dairen court, which is trying the case has requested the authorities to procure as witnesses for the reopening of the trial on February 15 an Austrian and two Germans from Shanghai, a Japanese from Tokyo, two Chinese from Tientsin, and another German, formerly an aviator, who is believed to be in Shanghai.

Mr. Matsumoto has raised the following points :—

1.—That the Japanese authorities have no jurisdiction over acts committed by foreigners upon foreigners on a foreign ship while outside Japanese territorial waters;

2.—That the case of the five defendants is essentially one of piracy for which there is no Japanese law properly to indict the prisoners;

3.—That the German authorities are anxious to have their nationals turned over to them for trial in a German court;

4.—That any action against the prisoners by the court, no matter how justified, may result in unfavorable repercussions.

Chinese Customs Now on Metric System Basis

The Chinese Maritime Customs February 1 commenced enforcing the order issued by the Ministry of Finance in July last year to the effect that the metric system must supersede the old forms of weights and measures heretofore used, either Chinese or English. All specific rates of duty have been converted according to the new system. The Bureau of Social Affairs has issued a notification that all persons or firms who fail to change over to the new system will be prosecuted.

Yellow River Bursts Dykes in South Chihli

The Yellow River overflooded its banks in south Chihli last week, inundating 38 villages in the Changyuan district. In addition to those drowned, hundreds perished from cold and hunger. The present flood, caused by the Yellow River bursting through the reconstructed dykes, is declared to be worse than last year's, in which the Changyuan district suffered severely.

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Hu Han-min Replies to Wang Ching-wei's Interview

ON Jan. 13, Wang Ching-wei, President of the Executive Yuan, gave an interview to the press with regard to the position of Hu Han-min (former President of the Legislative Yuan, now in retirement in Hangkong) vis-a-vis the National Government. In the following statement, a copy of which was received by the *Review* early this week, Mr. Hu gave his own answers to the various questions put to Mr. Wang, in an attempt to clarify his position. The questions below are Mr. Wang's, while the answers are Mr. Hu's, as made through his secretariat.

Question: (Mr. Wang's)—It has been reported lately that Hu Han-min will proceed to the Capiatl shortly. Will Mr. Hu indeed come to the Capital?

Answer: It is quite alright for Mr. Wang to answer such questions, but in his reply, one can quite readily see between lines. The question was very simple, but in Mr. Wang's reply he saw fit to interject his own views. In other words, Mr. Wang would like Mr. Hu to join the government, but failng in that, Mr. Hu is to efface himself quietly from the scene and maintain a critical but benevolent attitude towards the government. Mr. Wang does himself no credit and certainly does himself harm by the very admission of the fact that critics of his government must adopt a benevolent attitude. His knowledge of history seems sadly lacking for so learned a man. No cause ever triumphed, because its leaders adopted a benevolent attitude but quite the contrary. China would never have overthrown the Manchu yoke and become a Republic if our leader Dr. Sun Yat-sen had adopted a benevolent attitude towards the Manchus. Mr. Wang shows fear in that he worries over the fact that Mr. Hu might join the Fuken Rebels for the overthrow of the Central government. The state, like a young and healthy tree, free from disease, could stand and face any storm no matter how violent; but once diseased even the slightest puff of wind is sufficient to send it toppling over. The Central government, like the diseased tree, is an object of pity in the wind, and like the tree is a danger to the passing people if not sawn off and removed. Mr. Wang knows the shaky state of the government and shows his concern. As for the personal character of Mr. Hu and its detriment, let him ease his mind. It is entirely a personal matter, and Mr. Hu can look after himself, quite confident that his personal character remains unblemished.

Question: Mr. Hu is reported to have consulted with, and requested, the Fukien authorities, through his representatives, to abolish the People's Government and to concentrate efforts on the overthrow of General Chiang Kai-shek. Have you not also heard such reports? What is your opinion thereon?

Asnwer: In reply to this question Mr. Wang seems to have lost sight of the fact that Mr. Hu alone is the right person to answer it. Although there were reports rampant in the press that Mr. Hu had made such proposals to the Fukien Rebels, yet the fact remains that Mr. Hu has remained deaf to their pleas to join them against Nanking in such a manner. In fact Mr. Hu issued a statement immediately on the outbreak of the trouble to clarify his own attitude. Yet statements to the contrary, Mr. Wang has persisted in his attitude that Mr. Hu has made such plans with the Fukien insurgents. Since Hu's word is not accepted, then let the President of Executive Yuan produce the proofs of Mr. Hu's perfidy. It would not be lacking in taste nor the indulgence in an idle boast that if Mr. Hu had given his blessing and lent his support to the Fukien Rebels there might have been a different story to date. The fact that Mr. Hu refused them cooperation is sufficient proof of his own attitude and conduct, Mr. Wang to the contrary.

Question: It is said that formerly when you were living in retirement and Mr. Hu was serving as an official of the government, you opposed Nanking. How, however, when you are serving as an official of the government and Mr. Hu is living in retiiement, you are upholding the government in Nanking. I fail to understand this point, and wonder how you would explain it.

Answer: This last question propounded to Mr. Wang has evidently stirred up a hornet's nest. That the interviewer should ask for furthet elucidation on this point is understandable in that Mr. Wang's acrobatics in the political stage have amazed the people throughout the country. The fact that Mr. Wang in replying to this question has seen fit to stress the point that he has made a number of explanations as to his conduct already, reveals more than is necessary. His diatribes on the national menace are like the throwing of a smoke screen. He talks of his vaunted patriotism, how he is willing to sacrifice his personal views because of the need for national salvation since Sept. 18, 1931. No need talk too much of national salvation. It was his government, wherein he acted as President of the Executive Yuan, that adopted the actual policy of non-resistance to the Japanese, in Manchuria, lost the Three Northeastern Provinces, refused assistance to the 19th Route Army in the Shanghai War, lost Jehol, and signed the infamous truces that surrendered Chinese sovereignty to the Japanese, namely, the Shanghai Truce and the Tangku Truce. It would be in better keeping with his conduct, that Mr. Wang is in Nanking because he has attained his ambition as President of the Executive Yuan and not because of his patriotism. Everyone knows how sick he was in the past and how miraculously he was cured of his diabetes and his liver ailments upon his acceptance of his present office. Mr. Wang has endeavored to compare his record with Mr. Hu. He speaks of Mr. Hu's detention in Tangshan and how it affected his outlook. Fortunately he does not seek to justify the detention, but it can be gainsaid that if members of the government who have the courage to differ with General Chiang Kai-shek, who was but another member of the government, were to be incarcerated, then that government would not be a representative government, but merely the tool of the dictator, and Mr. Hu is against all dictatorships. Consequently how can Mr. Hu accept calmly the attempts to suppress freedom of action and speech as well as personal liberty since it forms the bulwark of the creed of the Kuomintang? To battle for reform and freedom of the people irrespective of their creed and political beliefs is his policy. He will certainly not accept the political dictatorship that is being thrust upon the people. Mr. Wang in conclusion has seen fit to cite his past record in opposition to the Government, he speaks of his order to the Ironsides, but he conveniently forgets his throwing in his lot with the Feng-Yen Rebellion up north in 1929 and being made chairman of the new government then. He charged Mr. Hu repeatedly with utilizing Chen and Li and the Communist bandits, for his own purposes. Again one might pertinently ask him for his proofs. Mr. Hu is confident that his actions and his conduct will stand the scrutiny of all. But Mr. Wang need be reminded since he brought up the question of the Communists' part in the disturbances, that Mr. Wang's name will always be associated with those who took part in the sacking of Canton by the Communists hordes in 1927. To further refresh his memory it would not be amiss to cite his past association with Borodin, when in 1923, he joined forces with the Russian and accepted his word as law and giving Borodin almost the authority of a super government instead of obeying the precepts of the San Min Chu Yi. Assuredly Mr. Wang will not have forgotten his stellar activities in connection with the formation of the Kwangtung Soviet Government. But last and by no means the least, he can not have overlooked his notorious association with Chen Tu-hsiu, the Communist leader, in issuing a joint manifesto, in 1926, with Chen representing the Communists and himeslf allegedly representing the Kuomintang. Therefore it would seem that in the ordinary state of things, Mr. Wang had better clean his own slate before indulging in the criticism of his betters.

KUOMINTANG C.E.C. SESSION CLOSES WITH LONG MANIFESTO

(*Continued from page 374*)

concrete efforts. It is hoped that all our comrades will sincerely unite together in order to inspire sincere union between Party and the entire nation; and that our comrades will set an example to the nation by concrete exertions to the end that all may be united and may strive with one mind for the salvation of the present crisis and completion of the National Revolution."

Lin Sen Assumes Office of Chairman

Following his re-election, Lin Sen officially assumed his office as Chairman of the National Government for the second term on Jan. 26. Wu Chi-hui, veteran Party leader and member of the Central Supervisory Committee, officiated at the oath-taking ceremony which was attended by a large gathering of high Government officials including Gen. Chiang Kai-shek, Wang Ching-wei and others. In his speech of admonition, Mr. Wu paid Mr. Lin a high tribute and described him as a "model Chairman of China." In reply to Mr. Wu's address, Mr. Lin responded in appreciative terms and pledged himself to the faithful observance of the duties of his office.

C. S. C. Holds Plenary Session

The 3rd Plenary Session of the Central Supervisory Committee of the Kuomintang was held on Jan. 26 with Chairman Lin Sen presiding. A total of 24 regular and reserve members were present. The following resoutions were adopted:

Lin Sen, Wu Chih-hui, Chang Ching-kiang, Chang Chi and Tsai Yuan-pei, be designated as members of the Standing Committee of the C. S. C.

Hsiao Chi-san be designated as Chief Secretary to the C. S. C.

The Regulations governing the organization of the Central Supervisory Committee be passed.

In celebration of Gen. Chiang Kai-shek's successes in suppressing the Fukien rebel movement and the Communist distrubances, a mass meeting was staged at Nanking on Jan. 26 in his honor by thousands of Party members and representatives of the public bodies at Nanking. The meeting presented Gen. Chiang with an enormous red silk flag inscribed with four Chinese characters: "To pacify internal situation and to resist foreign aggression." Gen. Chiang was present by proxy in the person of Gen. Ho Yao-tsu, Chief of Staff, who thanked the public for their enthusiasm, saying "what is honor for the Generalissimo is welfare for the people." As a mark of official recognition, the Fourth Plenary Session before its close issued a telegram of commendation to Gen. Chiang and the Army engaged in suppression of communists and rebels, expressing appreciation of their meritorious services to the nation.

New Gold Bill Is Signed by President Roosevelt

The U.S. Senate Jan. 28 passed the Administration's gold bill, together with an amendment by Senator Pittman of Nevada, authorizing the president to maintain parity between silver and gold by reducing the weight of the silver dollar by 60 per cent and issuing silver certificates in exchange for silver bullion instead of actual silver dollars. The House promptly accepted the Pittman amendment. President Roosevelt Jan. 29 signed the bill, the main provisions of which are:

1. The title to all Federal Reserve gold shall pass to the United States Government and the Federal Reserve system shall be given credits in equivalent amounts in dollars;

2. All gold shall be withdrawn from circulation, gold coinage abandoned and no currency be redeemed in gold, except gold certificates owned by the Federal Reserve banks, in such amounts as the Secretary of the Treasury decides necessary to maintain equal purchasing power by every kind of currency;

3. The Secretary of the Treasury shall be authorized, with the President's approval, to purchase any amount of gold at home and abroad;

4. The Secretary of the Treasury can anticipate the payment of interest on the public debt and sell gold at home and abroad. To stabilize exchange, he can purchase, sell or discount drafts, cheques, bills of exchange, acceptances or other evidence of indebtedness.

President Roosevelt has intimated that an informant will be stationed at Shanghai and 11 other world financial centers in connection with the Administration's U.S.$2,000,000,000 Stabilization Fund.

The possibility of a stern currency war with Britain is foreshadowed as the Treasury has planned to go ahead with the operation of its new stabilization fund of $2,000,000,000.

Short term loans to an aggregate of U. S, $1,000,000,000 were issued by the U. S. Treasury Jan. 24. The issue was several times over-subscribed.

When police descended on New York City's prison on Blackwell's Island Jan. 25 they discovered a convict dictatorship running the prison, plenty of narcotics, and a large number of carrier pigeons, by means of which the contraband was brought to the prison.

Thrift as a Buffer Against Communism

A. H. Giannini, chairman of the board of directors of the Bank of America, told an audience in New York, Jan. 25, that America's refuge from socialism or Communism lies in good fiscal arrangements provided by bankers; if private thrift is abolished, there is no other answer but Moscow's answer—namely Communism.

President Roosevelt Is Invited to Visit Japan

The Executive Council of the Pan-Pacific Association in Tokyo Jan. 30 adopted a resolution to extend an invitation to President Roosevelt of the United States to visit Japan on the occasion of his proposed trip to Hawaii sometime during this summer.

***

British Favor Germany's Right to Arm for Defensive Purposes

Recognition of the right for Germany to immediately acquire defensive armaments is advocated in a British Armament Memorandum delivered to Germany, United States, France, Italy, Japan, Belgium and Poland Jan. 30. The British memorandum is expected to have the full support of Premier Benito Mussolini, who has already announced his belief that Germany has a moral right to equality and should be permitted to equip herself with defensive armaments.

***

Nazi Leader and General Goering at Loggerheads

A serious difference of opinion has arisen between Herr Hitler and General Wilhelin Goering, Minister of Aviation and Premier of Prussia. General Goering has identified himself too much with the group which favors the return of ex-Kaiser Wilhelin to suit the Nazi leader. Following the breaking up by Berlin police on the night of Jan. 26 of a celebration of the ex-Kaiser's birthday by members of the National Officers' League, General von Horn, Nationalist president of the ex-Soldiers' Federation, has been replaced by Colonel Reinhardt, a 100 per cent Nazi and a well-known participant in the famous Munich beer-garden putsch of 1923.

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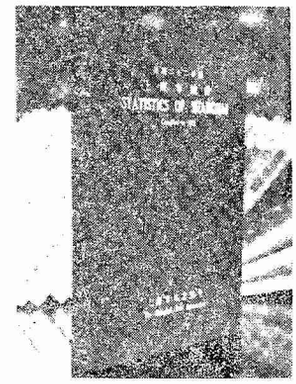

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Nanking Forces Enter Chuenchow; Fukien Leaders Take Flight

Chuenchow, last stronghold of the19th Route Army in Southern Fukien, fell to the Government Expeditionary Forces under command of Gen. Chiang Ting-wen on Jan 27. The city was evacuated by the rebel army without any resistance, remnants of which are withdrawing further south towards the Kwangtung border. At present, the Army has been reduced to only about 20,000 men and is being concentrated at Putien, Weian and Futsing pending reorganization of the Government.

According to reports, Nanking authorities, in an ultimatum delivered to Commanders of the 19th Route Army, demanded the retirement of all officers above the rank of colonel from the Army as the first step towards the Army's reorganization. As regards the lower ranking Officiers and soldiers, those who are suspected of being disloyal to the Government are to be disbanded and paid off, while the rest are to be reorganized and incorporated into the Government units. Failing compliance with these demands, the ultimatum threatened, the Government forces will continue their advance and renew punitive operations. Officers of the defeated Army are said to be greatly dissatisfied with the Nanking terms and in order to evade reorganization by Nanking, are reported to have offered their surrender to Gen. Chen Chi-tang of Canton. The situation is becoming complicated, as Gen. Chen is believed to be intervening on behalf of the 19th Route Army with a view to preserving it as a buffer between Nanking and Kwangtung.

Reports regarding the whereabouts of the leading commanders of the rebel Army including General Li Chi-sen, Chen Ming-shu, and Chiang Kwang-nai are conflicting. A *Reuter* report from Canton on Jan. 27 stated that they had arrived at Hongkong, while Chinese telegrams from the South reported that they had taken flight from Lungyen in Fukien to Swatow in an army plane, where their plane had a forced landing because of the lack of gasoline and where they had been detained by the local military authorities. A third report stated that Gen. Tsai Ting-kai is still at Lungyen being cut off from the main body of his troops by the Government Force and is making attempts to re-establish contact with his men to stage a comeback. A *Reuter* telegram from Foochow on Jan. 29, confirmed the arrival of Gens. Chen Ming-chu and Li Chi-sen at Hongkong.

Gen. Chen Yi, Chairman of the new Fukien Provincial Government, left Shanghai on Jan. 29 for Foochow aboard the gunboat with his staff and personnel of the Government. He arrived at Foochow on Jan. 31 and will assume his new office shortly. Gen. Chiang Kai-shek, Chairman of the Military Affairs Commission, arrived at Shanghai from Nanking on Jan. 31 enroute to Foochow to direct the reorganization of the 19th Route Army and rehabilitation of the war-infected areas in Fukien. Following his visit to the Fukien capital, Gen. Chiang will fly Kiangsi, resuming his campaign against the Communists.

According to a report from Amoy on Jan. 30, the National Government has decided to abolish the name of the 19th Route Army and to reorganize it as the 6th Route Army of the Bandit Suppression Force for the Five Provinces, Fukien, Kiangsi, Anhui, Honan and Hupeh. Gen. Mao Wei-shou has been appointed Commander of the reorganized Army with Gen. Chang Yen as deputy Commander. Gens. Shang Kwan-han and Ou Shou-nien, former Division Commanders of the Army, will be relieved of their offices and given funds to go abroad on "investigation tours." New commanders appointed to head the various Divisions are Gen. Chen Pei for the 60th Division, Gen. Wu Cheng-jen for the 49th and Wen Chao-chi for the 78th who are expected to assume their posts shortly. All officers above the rank of regimental commanders are to be re-commissioned by the Commander-in-Chief's Headquarters in Five Provinces. After the completion of the reorgization, the Army will be ordered to renew their campaign against the Communists in Western Fukien or transferred to other fronts in view of their previous alliance with the Communists.

Reports early in the week stated that Nanking Military authorities in Foochow were encountering opposition in their plan of reorganization of the 19th Route Army and preparing to renew their campaign against it with a view to reducing it to submission. Government troops are said to be rushing to Lungyen in south-west Fukien, where the remnants of the rebel Army are concentrated. On Jan. 29, the *China Press* reported that Gen. Oong Chao-wan, a former Division Commander of the Army and defender of Woosung Forts during the Shanghai War in 1932, had been appointed Commander of the Army. Gen. Tsai Ting-kai is reported to be preparing to make a last stand at Lunyen against the Government troops with two regiments of his bodyguards.

A *Reuter* message from Canton on Jan. 29 stated that Kwangtung troops were rapidly moving to South Fukien, the vanguard of the Independent 2nd Brigade having reached Yenchien. The 1st Division under Gen. Huang Yin-huan is also pushing northward. An Amoy dispatch on Jan. 28 reported the arrival of Cantonese troops under Gens. Chang Wei-yuan and Fan Tsung-chih in Pingho en route to Changchow, where the headquarters of the Pacification Commander of the Changchow Area will be established. The report indicated that Canton troops are being dispatched to South Fukien to prevent the scattered bands of the 19th Route Army from entering Kwangtung province.

Gen. Huang Explains Mongolian Autonomy Question in Statement

In a statement issued on Jan. 22, regarding the Mongolian autonomy question, Gen. Huang Shao-hsiung, Minister of Interior and recently Government's Envoy to Inner Mongolia, explained what had actually happened at the conference which he held with the Mongoian princes at Pailingmiao last November. The statement aims to correct certain wrong assertions made by Mongol representatives at Nanking, who are objecting to the program of Mongolian autonomy recently adopted by the Central Political Council, on the ground of that it is a violation of the "eleven articles" allegedly accepted by Gen. Huang at Pailingmiao.

In his statement General Huang makes it clear that he never accepted the so-called "eleven articles" but only promised to bring back to Nanking for the consideration of the Government a porgramme formulated by the Mongol princes. This programme, for the first time released to the press, substantially as follows:

1. There shall first be created two autonomous district governments. Others may be created later.
2. The Silingol League and the Charhar *hoshuns* will constitute the first Mongolian autonomous dstrict, and the Ulan-Tsab and Iehedzu Leagues and the Tumets the second Mongolian autonomous district.
3. The district governments will be directly responsible to the Executive Yuan and will consult the provincial governments in matters affecting the province in which the autonomous district is situated.
4. The autonomous district government will handle all administrative affairs within the district.
5. The expenses of the Mongolian autonomous district governments will be borne by the Central Government and remitted to Mongolia every month.
6. The district governments may call conferences to discuss matters of mutual interest.

Apart from making public this programme, General Huang's statement recalls that the Pailingmiao conference was more than once threatened with rupture due to the Mongol demand for what is tantamount to an independent government. The Mongol princes, however, finally reduced their demands and produced the above program which General Huang consented to submit to the Government for consideration. In view of the insistence of the Mongol representatives on the fulfillment of the "eleven articles" which are little known to the public, the prospects of an early settlement of the Mongolian issue have been considerably dimmed. Meanwhile, discussions are actively proceeding between the Mongol representatives in Nanking and responsible government leaders.

General Fu Tso-i, Chairman of the Suiyuan Provincial Government, in a telegram to the Executive Yuan, emphatically denies the charge by the Mongohan delegation representing the Ordos (Yeghe Jo) League that the proposal of the president and vice-president of the Ordes League to the Suiyuan Provincial authorities for the creation of a separate autonomous *Chu* government, instead of sharing the same autonomous gouernment with the Ulan-Tasb League, was conceived or instigated by the Suiyuan Provincial Government. Genetal Fu seriously questions the identity of the so-called delegation of the Ordos League which is at the capital, as it is rather surprising that their views should be so diametrically opposite to that of the president and vice-president of the league which they claim to represent.

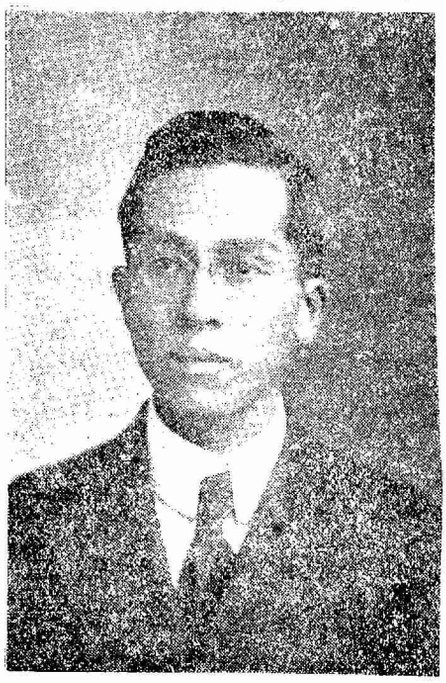
The Mongol delegation at Nanking visited on Jan. 29 the headquarters of the general staff and offices of the Central Party and the five Yuans and pressed their demands concerning autonomy for Inner Mongolia.

Japan Is Expected to Expand Her Area, Says Washington Speaker

Sensational prophecies of Japan's possible future territorial advance southward in the archipelagoes off the southeast coast of the Asiatic continent to relieve her population pressure were made in a speech in Washington, January 14, by Warren Thompson. He was addressing a conference being held on birth control as a measure for national economic recovery, attended by delegates from England, Scotland, Hawaii and the United States.

Mr. Thompson stressed his opinion that the population pressure in Italy, Germany and Japan has stimulated their demands for larger natural resources, including Japan's "expansion in Manchuria." "Japan's expansion has only begun," he said. He expressed the opinion that Japan's expansion might be extended to Borneo, New Guinea, Celebes and also portions of the Philippines "when the time is opportune." "A general European war," he said, "would offer an unsurpassed opportunity for Japan to extend her sway by seizing some of the Dutch and British colonies."

Who's Who in China



朱世全字完初

Tchou Che-Tsien (Chu Shih-chuan)

Tchou Che Tsien, Government official; born at Paoshan, Kiangsu, 1888; graduate of l'Universite l'Aurore, Shhanghai; Licencie (M.A.), la Faculte de Droit, Paris; returned from Paris in 1914; Editor, "La Politique de Pekin," 1914; professor of Political Science, the National University, and concurrently lecturer on International Law, the University of Law and Political Science, Peking; appointed Secretary to the Chinese Commission at Vladivostok, 1919; Secretary to the Chinese Delegation at the Washington Conference, 1920; Secretary to the Chinese Delegation, International Aeronautic Convention, Paris, 1932; Technical Advisor, Opium Conference, Geneva, 1923; Secretary to the Chinese Legation, Paris, 1921-24; Special Delegate, Commission on retrocession of Weihaiwei, 1930; Secretary, Ministry of Foreign Affairs, Peiping, 1925; Acting Director, Department of European and American Affairs, Ministry of Foreign Affairs, 1928; Chief of Section and Assistant Director, Department of European and American Affairs, Ministry of Foreign Affairs, Nanking, Since 1928; author: the Method of Abolition of Unequal Treaties between China and the Foreign States; Lectures on Private International Law, and The Question of Weihaiwei; was awarded third class Chiaho Decoration; Officier de la Legion d'Honneur; Palmes d'Officier de l'Instruction publique de France et Commandeur de la Couronne de Belgique; address: Ministry of Foreign Affairs, Nanking.

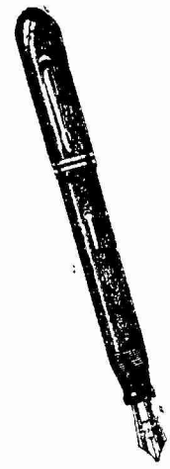
朱世全字完初，江蘇寶山縣人，年四十五歲，上海震旦大學畢業，法國巴黎法科大學畢業，曾任政聞報編輯，北京大學暨法政大學教授，特派西伯利亞高等委員辦事處秘書，國際聯合會禁煙會議中國代表團專門委員，華盛頓會議中國代表團秘書，巴黎萬國航空會議中國代表，駐巴黎中國使署秘書，接收威海衛委員，十六年國民政府外交部成立，任政務司科長，十七春兼歐美司幫辦，迭次奉令代行司長職務，現仍供幫辦職，並迭奉前任部長傅令嘉獎，著有外人在華之領判權，取銷不平等條約方法及步驟，國際私法概論，威海衛問題等書。

Panchen Lama Ill at Nanking, Tibet Elects New Ruler

The Panchen Lama, who arrived at Nanking from Inner Mongolia on Jan. 25 and who was made a State Councilor at the Fourth Plenary Session of the C. E. C., is reported to be ill at the Capital, according to a *Reuter* message on Jan. 27. Both foreign and Chinese doctors are attending him and his condition is improving.

Pending the reincarnation of the late Dalai Lama, the temporal ruler of Tibet, and the accession to office of the new Dalai Lama, the religious affairs of Tibet will be temporarily in charge of Chieh-Tse-Je-Cheng Hu-Tu-Ke-Tu, it was decided at a recent joint meeting of the Lama priests and the people of Tibet, according to a message from Lhassa to the Nanking Office of the Tibetan authorties on Jan. 26. The military and political affairs of Tibet will be in charge of the Ssu Lun (Governing Officer) and the Ke-Hsia (Governing Council), the message added.

Gen. Huang Mu-sung, Vice-Chief of Staff, who has been appointed Government's Special Envoy and Pacification Commissioner to Tibet, will shortly leave the Capital for Lhasa. Gen. Huang will represent the National Government in the ceremony of offering sacrifices to the late departed Dalai Lama.



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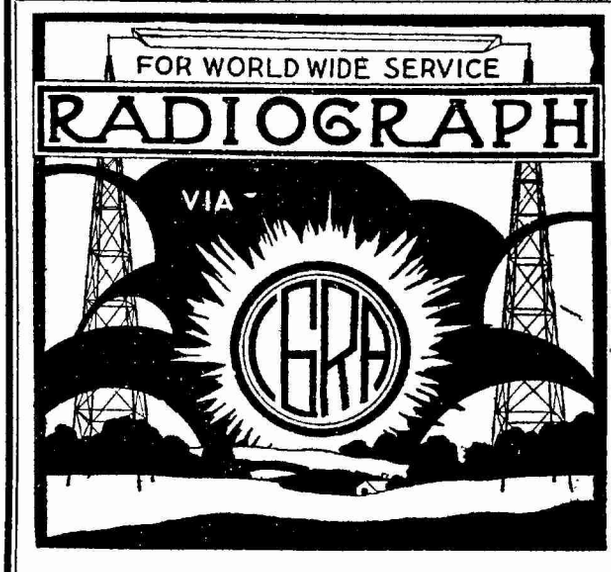

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67-439

Men and Events

Dr. W. W. Yen, Chinese Ambassador to Russia, is due back in Shanghai Feb. 3 by the Italian liner *Conte Rosso.*

Quo Tai-chi, Chinese Minister to London, is recovering from an operation for an ulcer performed in London las week.

It is announced from Tokyo that Sir Francis Lindley will relinquish the post of British Ambassador to Japan in April. Sir Robert H. Clive will succeed Sir Francis.

Julius Rosenfeld of Messrs A. B. Rosenfeld and Son, Shanghai, was elected a member of the New York cotton exchange Jan. 28.

Judge Milton D. Purdy admitted Miss A. Viola Smith, Assistant Trade Commissioner, to practice in the United States Court for China Jan. 29.

Sir Alexander Cadogan, new British Minister to China, Lady Theodosia Cadogan and their three daughters, boarded the s.s. *Chitral* at Marseilles Jan. 27 enroute to Shanghai.

The China National Insurance Company, Ltd. opened offices at 255 Peking Road, Shanghai, Feb. 1, when a reception was held. S. L. Liang is the general manager of the new company.

Moscow is building a subway to be completed in November. The trip from Sokolni to the Park, which now requires more than an hour by surface street car, will be made in 18 minutes.

Dr. Lo Wen-kan, Minister of Jastice, who is now on leave of absence in Canton to attend his daughter's wedding, has telegraphed the Executive Yuan for one-month's extension of leave.

F. J. Raven has announced that he will not be a candidate for re-election as a member of the Shanghai Municipal Council, as he expects to be absent from Shanghai from April to November. J. W. Carney will be a candidate to succeed Mr. Raven.

The Nanyang Brothers Tobacco Factory has sent a check for $50,000 to the office of the National Aviation League, Chinese Y.M.C.A. building, 123 Boulevard de Montigny, as a contribution towards the aviation construction fund.

Demaree C. Bess, chief Far East correspondent for the *Christian Science Monitor* who has been transferred to Moscow, left for Dairen with Mrs. Bess Jan. 30. Randall Gould has taken over the *Monitor's* Shanghai correspondence.

J. B. Powell, editor and publisher of *The Review*, and correspondent for the *Chicago Tribune*, proceeded from Dairen to Tokyo during the week with a view to securing a reversal of the ruling of the authorities in Dairen refusing him a visa to proceed to Changchun.

After a visit of several months to China, Maxwell M. Hamilton, Assistant Chief of the Bureau of Far Eastern Affairs of the U. S. Department of State, departed during the week for Japan. Mr. Hamilton will travel in the trans-Siberian to Moscow. He has been in the Orient, including the Philippines, since last October.

Lord Allenby, British wartime general, who arrived in the Dutch East Indies last week, cut short his visit there owing to reports of a plot on his life, and is stated to have taken a steamer for England—at least that is the story as related in telegrams from London, which somehow or other have an unconvincing ring to them.

Shen Peng-fei, Director of the Department of Higher Education of the Ministry, has been made Acting President of the National Chinan University at Chenju, and has already assumed his duties. Dr. Wang Shih-chieh, Minister of Education, has decided to deal severely with the students of the Chinan University who were ringleaders in the recent strike.

Admiral Frederic Dreyer, Commander-in-Chief of the China Station, departed from Singapore Jan. 31 on the warship *Suffolk*, with Australia as the ultimate destination, calling at various points in the Netherlands East Indies during the next two months. Admiral Dreyer was one of the principal participants in the Singapore Naval Conference, which came to a conclusion Jan. 29.

Wong Hsiao-lai, chairman of the Shanghai Chinese Chamber of Commerce, and Mrs. Wong, formerly Miss Hu Pao-tseng, celebrated their silver (25th) wedding anniversary at the Wuchow Residents' Hall on Kweichow Road, Jan. 26. A banquet was served to a large number of guests. Felicitous speeches were made by Hsu Shih-ying, former premier, O. K. Yui, K. H. Ling, Yu Ya-ching, Sze Liang-tsai, Yuan Li-tung, and Tse Wei-sun.

The Ministries of Finance and Industry have jointly drawn up a number of plans for the relief of China's silk industry. At present 60,000 silk mill employees are idle in Shanghai. The new plans to remedy this state of affairs are stated to comprise a cheapening of the inland freight rates for native silks by lessening taxes demanded in transport and a fund for the financing of certain factories to enable them to start operation again.

Gen. Sun's Army Suffers Reverse in Advance to Ninghsia

General Sun Tien-ying's cavalry, which has been attacking Likangpu, 13 miles from Ningshia City, has been driven off and is retreating towards the main body, according to a *Reuter* message from Peiping Jan. 27.

General Ho Ying-ching's delegate, General Meng Ping-yueh, who is a personal friend of General Sun, has gone to Ling-ho to urge his superior to suspend his advance. Meanwhile, the Ninghsia, Kansu and Chinghai authorities are urging the National Government to send a punitive expedition against General Sun.

In his capacity as chairman of the Military Affairs Commission, Gen. Ho Ying-ching has again telegraphed to General Sun, ordering the return of his units to their original posts. The two regiments of Lieut.-General Lu Feng-nien's division attached to the 41st Army of Gen. Sun are instructed to remain at Paotow, western terminus of the Peiping-Suiyuan Railway.

General Wu Hsi-shan, representative of General Sun Tien-ying, arrived at Tsinan on Jan. 27 to ask General Han Fu-chu, chairman of Shantung, to mediate the fighting now proceeding in Ninghsia between General Sun's men and the Ninghsia troops. It is expected that General Han, who was formerly a colleague of General Sun under Marshal Feng Yu-hsiang, will use his good offices to settle the dispute.

General Ma Hung-kuei, Chairman of the Ninghsia provincial government, reported on Jan. 29 that General Sun Tien-ying had sent him a message suing for peace and attributing the recent fighting to a misunderstanding. After regretting the heavy losses suffered by both sides, General Sun pleaded that General Ma halt the close pursuit of his forces.

With the exception of a small detachment left at Tengkow, all General Sun Tien-ying's troops have now retreated to the east bank of the Yellow River. According to a *Reuter* telegram from Peiping Jan. 29 General Sun himself is stated to have barely escaped capture. Troops have been sent to prevent the marauders from returning to the Paotou district.

On Jan. 30, the Executive Yuan of the National Government dismissed Gen. Sun from his post as Land Reclamation Commissioner for Chinghai. The action was taken as a disciplinary measure against Gen. Sun for opening hostilities against Gen. Ma Hung-kwei of Ninghsia and following the petition of representatives of Ninghsia and Kansu, demanding Gen. Sun's punishment. Severe fighting between Gen. Sun and Gen. Ma is still in progress with the former suffering casualties estimated at more a thousand. Gen. Sun, according to latest reports, is staging an attack on Ninghsia city, capital of that Province, but the attack is being repulsed. Meanwhile, efforts ar mediation are still proceeding.

Shanghai War Anniversary Celebrated Jan. 28

The second anniversary of the beginning of the Japanese onslaught on Shanghai was celebrated throughout China Jan. 28. In Shanghai the principal meeting was held under the auspices of the District Kuomintang at the Youths' Lecture Corps Hall, West Gate, and was attended by representatives of the City Government, the Shanghai-Woosung Gendarmerie Commissioner's office, the Chinese Chamber of Commerce and other public organizations. As a token of mourning for the Chapei outbreak anniversary, the "Blue Sky and White Sun" flags were displayed at half-mast over government office buildings, schools, and public places and all forms of amusements were suspended in the Chinese-controlled areas.

In Canton a mass meeting was held at the Sun Yat-sen Memorial Hall but there were no parades. Speeches were delivered denouncing Japanese aggression. Gen. Tsai Ting-kai, who last year received an ovation, was conspicuous by his absence. Speeches were made condemning the Fukien leaders for "blotting the glorious past of the 19th Route Army and ruining their future."

Joint Drive Started Against Liu Kuei-tang

A joint drive against the rebel troops of General Liu Kuei-tang who have occupied Chihhsien in North Honan, has been started by the Provincial forces of Hopei, Honan and Shansi. The Hopei troops participating in this drive belong to the command of General Ho Chu-kuo, the defender of Shanhaikwan last year. General Ho's troops have already had an engagement with the rebel troops in which one regimental commander was killed.

When General Liu revolted on Christmas Day he had only 2,000 men with him, and it is now stated that he has a force of 3,000, mostly bandits. The Chinese press quotes a prisoner captured by General Ho Chu-kuo's troops as saying that there are between 70 and 80 White Russians and 20 Japanese "Ronins" in General Liu's army and that in addition to machine-guns and field pieces they have three portable windlass sets.

Missouri Journalists Active in China

(*From the Yenta Journalism News, Peiping*)

Among the Missourians who saw their opportunity in China, came here and stayed are Thomas F. Millard, Carl Crow and J. P. Powell. The three have all been active in journalism and publicity service.

Thomas Millard was honored by the University of Missouri with the degree of LL.D. in 1929. He attended the University in 1889 and was also enrolled for a time in the Missouri School of Mines and Metallurgy. His career began as reporter and editor on several St. Louis newspapers. Following this he became a war correspondent for a number of American and British newspapers and magazines which task eventually took him to China to cover the Boxer uprising and the Russo-Japanese War.

He founded the *China Press* and the *Millard's Review* in Shanghai. Later he was called to the Chinese government service as an adviser, in which capacity he was attached to the Chinese delegation at the Paris Conference after the Great War, at the Washington Disarmament Conference in 1921-1922, and recently with the Chinese Delegation in Geneva.

Carl Crow assisted Mr. Millard in the organization of the *China Press* in 1911 and later helped start the *Shanghai Evening Post and Mercury*. In his own business he is general manager of the Carl Crow, Inc., which is one of the leading advertising agencies of the Orient with head offices at Shanghai.

J. B. Powell first came to China in 1917 as business manager and assistant editor of *Millard's Review*. He later took entire charge of this well-known magazine, changing its name to the *China Weekly Review*. He also is correspondent for the *Chicago Tribune* and the *Manchester Guardian*.

It may be of interest to note that Hin Wong, the first Chinese graduate from the School of Journalism of the University of Missour who returned to China in 1912, has at times been associated with Mr. Millard, Mr. Crow, and Mr. Powell. Mr. Wong was for several years correspondent in Canton for the *China Press* and the *Review* and for a time acted as Mr. Crow's advertising agency representative in the South.

The Missouri alumni in journalism in China have been increased by the recent arrival of Mr. and Mrs. John R. Morris of the *United Press*, stationed at Shanghai. Mr. Morris, until several months ago in charge of the *United Press* Bureau in Mexico, was with the *Japan Advertiser* for a number of years.

Y. P. Wang, another graduate of Missouri, sometime manager of the *Shun Pao* and *China Times* at Shanghai, has been appointed by the Chekiang Provincial Government as secretary of the Public Highway Commission at Hangchow, where the famous West Lake of China is located.

P. Y. Chien, secretary of *Shun Pao*, Shanghai, one of China's leading newspapers, is also on the staff of the *Kuo Min News Service*.

J. D. White, second Missouri-Yenching Exchange Fellow in Journalism, is serving his second year as instructor in advertising at Yenching University. His classes this year are among the largest in the Department of Journalism, indicating the increase in interest of Chinese young men and women in this subject.

David C. H. Lu, first Yenching-Missouri Exchange Fellow who studied in Missouri, 1930-1932, is on the staff of the *Peiping Chronicle*, in addition to his duties as a lecturer in Yenching.

Tang Teh-chen, second Yenching-Missouri Exchange Fellow who was in Columbia, Missouri, 1932-1933, has been on the staff of the *China Press* since his return from America last summer.

Thomas Min-heng Chao is manager of *Reuter's Service* in Nanking, the Chinese capital, where S. W. Chang is with the Central University.

Y. C. Jao is managing-editor of the *Hankow Herald* in Central China.

Chin-jen Chen has charge of a department in Nankai University, Tientsin.

Morris J. Harris, with headquarters in Shanghai, is manager of the *Associated Press*, China office.

Victor Keen is representing the *Herald-Tribune* of New York in Shanghai.

Examinations for Marine Officers Held at Woosung Navigation College

Over 50 candidates, among them six foreigners, sat for the second examination for marine officers, which was held at the Woosung Navigation College Jan. 24-28. The examination was under the supervision of Kao Ting-tsu, Director of the Navigation Department of the Ministry, and the Examination Committee composed of Hsu Tsu-fan, President of the Woosung College, and Messrs. Chen Shao-chi, Chu Tien-sen, Liao Ching-feng and Liu Kai-kun, all professors of the College.

CUSTOMS NOTIFICATION NO. 1335

The public is hereby notified that in accordance with Government instructions the following formula has now been laid down to indicate the method of classifying liquid fuel and kerosene oil as a basis for determining the duty treatment applicable:—

Liquid fuel (fuel oil):

(a) Oil with specific gravity over 0.90 at 20° C. and flashpoint over 95° C. (Cleveland Open Cup): duty C. G. U. 2.90 per ton.

(b) Others (including crude oil for refining purposes): duty C. G. U. 26.30 per ton.

Kerosene oil (including other mineral oils for illuminating purposes with specific gravity from 0.78 to 0.90): duty rate unchanged.

The present ruling supersedes the regulations contained in Customs Notification No. 1,268 which required that a bond be signed by importers of liquid fuel not intended for refining into kerosene.

H. O. Tong,
Superintendent of Customs.

A. C. E. Braud,
Commissioner of Customs.

CUSTOMS HOUSE,
Shanghai, 24th January, 1934.

In the United States Court for China

In re. Estate of GERALD KILES, Deceased	Cause No. 3621 Special Proceedings No. 939 NOTICE

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of GERALD KILES, deceased, to present the same with vouchers to the undersigned on or before July 20th, 1934, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

W. J. Lamneck,
c/o The Chase Bank,
Shanghai, China.

Shanghai, China, January 15, 1934.

CUSTOMS NOTIFICATION NO. 1336

The public is hereby informed that in accordance with Government instructions Article 18 of the General Bonding Regulations has been amended as follows:

"Withdrawal of goods from bonded warehouse for shipment abroad shall be made on an Application for Shipment Abroad *ex* Bonded Warehouse accompanied by a bond acceptable to the Customs for an amount not more than ten times the duty as determined by the Customs and for an enforceable period likewise to be determined by the Customs. After being examined to the satisfaction of the Customs, the goods will be released by a Permit to Ship Abroad *ex* Bonded Warehouse. In cases where goods under Permit to Ship Abroad *ex* Bonded Warehouse have left the bonded warehouse but have failed to reach the exporting vessel, either in their entirely or in part, as to number of packages, the Customs may exact the enforcement of the bond to the extent of the duty leviable on all the goods enumerated in the Permit. In cases where goods under Permit to Ship Abroad *ex* Bonded Warehouse have left the bonded warehouse and are found at time of shipment to differ in any respect, either in whole or in part, from the goods enumerated in the Permit, the Customs will proceed to enforce the bond in full. In cases where goods *ex* bonded warehouse have been received on board a vessel for shipment abroad and are subsequently landed on Chinese soil with intent to defraud, the Customs will proceed to enforce the bond in full.

"When an applicant wishes to withdraw goods from a bonded warehouse for shipment in bond to another open port, he shall present at the Custom House an Application for Withdrawal from Bonded Warehouse and for Permit to Ship under Bond accompanied by a bond acceptable to the Customs for payment of the import duty leviable in the event of the goods not being imported through the Customs in the usual manner at their declared destination. When these documents have been received, the Customs will examine the goods and, if found in order, release them under a Permit to Ship in Bond. Failure to ship by the vessel specified in the Permit the goods for which such a Permit has been issued will, in cases where the goods have left the bonded warehouse, entail the enforcement of the bond. Shut-out goods, whether withdrawn from a bonded warehouse for shipment abroad under bond or for shipment to another open port under bond, may either be released on payment of import duty, or, at the discretion of the applicants, re-enter a bonded warehouse for the balance of the twelve months bonding period."

The procedure for the shipment of cargo in bond is to become effective on the 1st March, 1934, and is to be applied to all cargo withdrawn from bonded warehouses on and after that date.

H. O. Tong,
Superintendent of Customs.
A. C. E. Braud,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 25th January, 1934.

New Books of Interest in the Far East

The Soviet Experiment—Pro and Con

The Soviet Worker: An Account of the Economic, Social and Cultural Status of Labor in the U.S.S.R., by Joseph Freeman; International Publishers, New York City.

From Peasant to Collective Farmer, by N. Buchwald and R. Bishop: International Publishers, New York City.

Kapoot: The Narrative of a Journey from Leningrad to Mount Ararat in Search of Noah's Ark: Robert M. McBride and Co., New York City.

Russia/U.S.S.R.: A Complete Handbook, edited by P. Malevsky-Malevitch: William Farquehar Payson, Publishers, New York City.

On Guard for the Soviet Union, by Maxim Gorki, with an introduction by Romain Rolland: International Publishers, New York City.

Memories of Lenin, Volume II, by N. K. Krupskaya (Mrs. Lenin): International Publishers, New York City.

State and Revolution, by V. I. Lenin: International Publishers, New York City.

The first two books here under review are, although not avowedly, official Soviet versions of the great Red experiment, but they nevertheless appear much more factually valid than the next two listed which make a fine pretense of impartiality, but which are really anti-Bolshevik propaganda.

Assuredly, as Mr. Freeman says, the proletariat—that is, the city working class—is "No. 1" in the Red realm in that it obtains the major share of the products of its labor, but he conveniently forgets to mention that this share is not as much as many groups of workers have been able to obtain under capitalism. Even today, a railroad engineer or linotype operator empoyed under the NRA in the United States is able to purchase far more creature comforts than the most pampered of Soviet workers. But there is much evidence that the Soviet standard living, low as it is in the material needs of life, is rising while the standard of the masses in capitalistic countries is declining despite new deals.

Mr. Freeman maintains, and quite correctly, that the Red revolution in Russia must, in the final analysis, be judged by the economic, social and cultural gains achieved by the workers,—which group, it should be understood, includes not only the city workers, but the laborers on the collective farms as well, for a *sine qua non* of communism is communized agriculture which wipes out all differences between peasantry and proletariat. Efforts toward this achievement are interestingly described by Messrs. Buchwald and Bishop although the constant and recently exceeding severe food shortage in the U.S.S.R. shows quite sadly that success in a qualitative degree has not yet been attained. The food shortage, however, is not described by Messrs. Buchwald and Bishop, nor does Mr. Freeman devote any of his pages to the housing shortage in many cities, notably Moscow. Yet the Soviet experiment must be viewed with certain reserve by even its most ardent admirers until the day comes when every resident of the U.S.S.R. who is not outlawed for valid reasons is able to obtain freely in return for adequate toil at least one well heated, comfortable room and all he or she desires in substantial food and such simple, wholesome stimulants as beer and tobacco. Certainly today—after 16 years of Red rule—these prime requisites of an enjoyable life are decidedly lacking among the overwhelming mass of the Soviet population. That they are also lacking among millions in the capitalistic world is beside the point unless one takes the view that all civilization, regardless of its economic basis, is a tragic failure for the bulk of humanity.

The Soviet food shortage—which, from many reliable accounts, involved considerable actual starvation within the last year—is especially disconcerting to realistic pro-communists in view of the tremendous agricultural possibilities of the U.S.S.R. The kulaks (prosperous, individualistic peasants) are customarily cited by Soviet propagandists—such as Messrs. Buchwald and Bishop—to expain the admitted shortcomings of the communist agricultural regime. But just who and why are the kulaks? At the time of the Red revolution, land was divided quite equally among the Russian peasants. But by 1929, as Messrs. Buchwald and Bishop state, the non-kulak "was really not much better off than when he had started as an individual farmer, way back in 1920."

"The kulak, on the other hand," they continue, "grew very prosperous. He had cows, horses, new farm buildings, not to mention good clothes and a trunkful of finery for his womenfolk. All this, notwithstanding the fact that the Soviet Government was hard on the rich kulak; he had to pay steep taxes and deliver a good proportion of his grain and other produce to the state at low fixed prices, while the poor peasant, on the contrary, received every consideration, including generous credits."

From this there is only one logical conclusion to be drawn,—that the kulaks were more intelligent and energetic than the poor peasants. True, such energy and intelligence may be used anti-socially, but the problem must be faced of utilizing these kulak

qualities pro-socially,—a problem the U.S.S.R. has not yet solved. And until it does solve it, or succeeds in reconditioning the reflexes of the poor peasants to make them efficient producers on the collective farms—with the resulting abolition of both food shortage and rationing,—no valid boast can be made of the success of the Soviet experiment.

Whatever may be the deficiencies of such Soviet apologists as Messrs. Freeman, Buchwald, and Bishop, they stand forth as heralds of the whole truth and nothing but the truth compared to Mr. Wells. "Kapoot"—Russian for the American colloquialism "busted"—is unspeakable except for the fact that it is in many places hilariously ridiculous, such as his intimation that Walter Duranty, the distinguished *New York Times* correspondent in Moscow, is a communist propagandist, or his allegation that he saw posters in Leningrad proclaiming Franklin Delano Roosevelt as "the next communist president of the United States." Beyond doubt, the communists preferred Mr. Roosevelt to the late Mr. Hoover since it was generally understood, and correctly, that Roosevelt's election would mean American recognition of the U.S.S.R., but only a nitwit could believe that any posters describing Roosevelt as a communist were ever displayed in the Soviet Union.

Doubtless some of disagreeable difficulties of travel through the U S.S.R. described by Mr. Wells, who is a notorious popular lecturer with a great ability to create goose flesh on stay-at-home old ladies, are correct, but in the few places his tour coincided with ground once covered by the reviewer, he is an unmitigated prevaricator. Moscow trams, for example, are assuredly crowded, but one does not " have to wait in a queue for hours to get on." And this reviewer has bought black bread at many stations across Siberia without finding any broken buttons, pieces of matches, nails and chewed strings in it as avowed by Mr. Wells.

"Russia-U.S.S.R.", compiled in large part by White Russian exiles, is not as anti-Soviet as might be anticipated although it is more misleading than the Wells volume since it never descends to the obviously ridiculous. But it does contain much correct and valuable information on the resources of the U.S.S.R. which are greater than those of any other country excepting the British Empire. Also the criticism of the communists as representing only the proletarian minority of the country is not wholly unjustified although the proper Marxian reply is that the proletariat alone is capable of organizing society on a new and better basis. Wholly correct is the statement that the true government of the U.S.S.R. is the Communist Party. Also correct is the allegation that the Third International and the Moscow Commissariat of Foreign Affairs work in harmony, but it is not pointed out that today (as Trotsky will confirm) the Third International is subordinated to the nationalistic policy of the Commissariat of Foreign Affairs. Substantially correct is the statement that the Communists "must subdue the peasantry or the latter will destroy their work sooner or later," but a more apt phrasing would be that the Communists must proletarianize the peasantry or the latter will become an all too powerful a squirearchy for Marxian development. Entirely incorrect is the assertion that real wages have declined under Soviet rule, and very misleading is the conclusion that the second Fire Year plan is *per se* an admission of the failure of the first. No Soviet spokesman has ever intimated that one Five Year Plan was regarded as enough to establish the desired industrialization of the country.

Gorki's volume is interesting, but as a defender of the Soviet faith he reveals chiefly that he should stick to story-telling and leave propaganda to others.

In her present book, La Krupskaya carries her memories of her distinguished husband from 1907 to the outbreak of the Bolshevik revolution in 1917. Volume 1, which appeared a few years ago, covered the period from 1894 to 1907. Presumably a third volume will deal with his years in power. While utterly but intelligently ruthlessly impersonal, and even inhuman by idealized bourgeois standards in his career as a revolutionist, Lenin is revealed in the current volume as in La Krupskaya's former one, as a broad, human and scholarly invividual in his private life. Although she refrains from any intimate memories, Lenin definitely emerges in sharp contrast to many of his avowed apostles of today who act as if anyone or anything not reeking with their particular hue of red is entirely outside of their consideration. Lenin, on the other hand, realized that all humanity has a lot in common despite economic differences. For example, he "had nothing but praise for Swiss culture," La Krupskaya records. How shocking that must be to some pseudo-communists now flourishing.

Lenin's view of the role of democracy will also shock some of his latter-day followers; "the proletariat," he says, "cannot accomplish the Socialist revolution if it is not prepared for it through the struggle for democracy." Unfortunately, the surviving German communists in their concentration camps will probably not be allowed by Herr Hitler to see these words ,which they could quite profitably ponder over during their present leisure—although the pondering would come a bit late for any practical purpose.

"State and Revolution" was written by Lenin during August and September in 1917 while he was hiding in Helsingfors awaiting the call to play his historic role in the Red revolution of November that year. Although not completed, the book is a communist classic and is required reading for anyone desiring to understand Marxian principles in practice. W. B.

Shanghai, Dec. 19, 1933.

CUSTOMS NOTIFICATION NO. 1337.

The public is hereby notified that the Voyage Books of Chinese vessels (other than junks) trading to Hongkong must be presented to the Hongkong Harbour Office for endorsement on entry and clearance and that the Master of any Chinese vessel who, after the 1st March, 1934, fails to secure such endorsement will be liable to a fine not exceeding $1,000.

H. O. Tong,
Superintendent of Customs.
A. C. E. Braud,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 1st February, 1934.

"I'M NOT SO YOUNG AS I WAS"

But It's Astonishing How Those Symptoms of "Age" Disappear When the Blood & Nerves Are Built Up By

DR. WILLIAMS' PINK PILLS.

There is truth in the adage:—"You are just as old as you are feel." Yet it need not be true that you are hopelessly on the down grade simply because symptoms indicative of advancing years are bothering you just now.

May-be you are finding your eyesight troublesome, despite the use of glasses. Or your nerves and temper get too easily frayed by what formerly seemed trifles. Your appetite is fickle and your digestion capricious. Aches and pains in the joints, limbs, and back cause you discomfort and concern.

When such symptoms become manifest they certainly prove one thing, and that is that your blood is in poor condition and needs purifying, enriching and building up. It is lacking in red corpuscles and haemoglobin, by means of which life-giving oxygen is carried from the air you breathe, and nourishment and iron from the food you eat, to the millions of cells which make up your body, and thus your whole system has become starved.

What, then, is the best and quickest method whereby thin, watery, impure blood can be supplied with these all-essential elements? Scientific test, as well as over half a century of practical demonstration, establishes beyond all reasonable doubt that it is provided in Dr. Williams' Pink Pills, the world's most famous and popular Blood and and Nerve Tonic.

You have known of Dr. Williams' Pink Pills since the days of your youth. Probably, also, you have met, or read of, many people who told with enthusiastic thankfulness of great personal benefits derived from their use. You will be making no experiment with a new, unproven remedy, therefore, in giving Dr. Williams' Pink Pills a trial. Chemists everywhere sell them. Why not begin the conquest of that "old-age" feeling today?

67-443

Real Estate Review by Realty Investment Company

Eastern District.—The volume of new building during this first month of the new year continues very firm, and the Eastern District continues to be the most active, with more than half of the total in the Eastern District and almost all of the remainder in the Central District.

The largest building plans to be approved during the week are for a Technical Institute on East Seward Road at the corner of Yuenfong Road. The next largest is for a weaving mill on Tengyueh Road, between Yangtszepoo Road and the Whangpoo.

Other plans call for three godowns on Chemulpo Road, near Tanyang Road; also on Chemulpo Road, near Ward Road, 12 Chinese Hongs and a workshop. Still another on Chemulpo Road, near Chining Road; plans were approved for foundry, office building and dormitory, and on Chining Road, near Thorburn Road, additions and alterations to a rubber factory.

Central District—New building in the Central District calls for a large building project at Canton and Honan Roads. In the group will be 25 foreign stores, 22 Chinese Shops and 39 Chinese Hongs.

Another is for a bank and office building at the corner of Kiangse and Ningpo Roads. The present building is being razed and work will soon start on the new.

Gen. Chang to Head Bandit Suppression Army at Hankow

Announcement is due to be made shortly of the appointment of Gen. Chang Hsueh-liang, former Manchurian and North China ruler, as Commander-in-Chief of the bandit suppression forces in Honan, Hupeh and Anhwei provinces and concurrently Garrison Commander of the Peiping-Hankow Railway Zone. Gen. Chang returned to Shanghai on Jan. 29 from a visit to Nanking where he attended the meetings of the 4th Plenary Session and conferred with Gen. Chiang Kai-shek on the North China situation. Gen. Chang left for Hangchow on Jan. 31 to attend the commencement ceremony for the graduates of the National Aviation Academy at Chienchiao.

WHY CHILDREN ARE "NAUGHTY"

A Common-sense Explanation

"I don't know where sonny gets his temper from," says many a mother, and sometimes she will add, with a meaning look at hubby; "not from my side of the family, I'm sure!"

As a matter of fact the child's naughtiness is generally due to some stomach disorder, but with Baby's Own Tablets at hand there is a well-tried remedy available quickly to set the trouble right.

These pleasant-to-take little tablets should be in every nursery for use both as preventative and cure. A tablet given occasionally keeps the child well, tunes up the internal organs, stimulates the intestines. Slightly larger doses speedily correct acute stomach and bowel troubles, expel worms, check diarrhoea, while the carefully balanced prescription of the tablets also allays fever, colds and croup.

Especially valuable during teething, Baby's Own Tablets banish the causes of pain almost as if by magic, and thus induce sound, natural sleep. Guaranteed to contain no narcotics or other harmful drugs, they are the ideal health safeguard for babies and young children. Keep a vial handy. All chemists can supply you.

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in all its Branches

Your work
should bear
our imprint

The National City Bank of New York, Rates of Exchange

Shanghai, Jan. 31, 1934

Demand selling rate on America:	U.S.$100=Sh. $294.66
Demand buying rate on America:	U.S.$100=Sh. $291.97
Demand selling rate on London:	£1 0.0.=Sh. $14.769
Demand rate on buying London:	£1.0.0=Sh. $14.601

67-444

Latest New York Stock Exchange Quotations

Market—Firm Business Done 1,240,000 Shares

January 31, 1934

1933-34 High	1933-34 Low	Div. $ per Sh.	STOCK	Mon. Jan. 29	Tue. Jan. 30
13¾	3	—	Adams Express	10¼	11
33	11⅛	0.60	Alaska Juneau	22½	22
155	70¾	6.00	Allied Chemical & Dye	155	156
102⅞	49½	4.00	American Can	100½	100½
19⅜	5⅞	—	American & Foreign Power	10⅝	10½
44⅞	7¼	—	American & Foreign Power 7% Pfd.	23	25⅝
58½	23⅝	5.00	Amer. & For. Power 5% debs. of 2030	48	49¾
23⅝	3¼	—	American Metal Company	20⅞	20½
53½	10¾	—	American Smelting	45⅞	45¼
134¾	86½	9.00	American Tel. & Tel.	118⅞	118⅞
94¾	50¾	5.00	American Tobacco "B"	67	78¼
43¼	10⅞	1.00	American Waterworks	22½	23⅛
80	35	6.00	American Waterworks $6 preferred	71	73⅛
22⅞	5	—	Anaconda Copper	16⅝	16⅝
18⅝	5⅞	—	Atlas Corporation	14⅜	14⅝
84¼	31	2.00	Auburn Automobiles	52¼	52¾
37⅜	8¼	—	Baltimore & Ohio	29¼	30¾
19¼	10⅛	—	Bethlehem Steel	47⅛	47⅞
37⅜	18	1.60	Borden Company	24	25¼
27	5¼	0.25	Borg Warner	27	26⅝
20⅞	7¼	—	Canadian Pacific Railway	16	16⅜
103½	30¼	—	Case, J. I.	81	82¾
47⅞	16⅝	1.40	Chase National Bank	27¾	28¼
52½	14⅞	2.50	Chesapeake Corporation	41¼	42¾
58	7¾	0.50	Chrysler Corporation	56	57
43¾	25	5.50	Cities Service Power & Light 5½s/52	38⅜	39¾
28⅛	9	0.50	Columbia Gas & Electric	14¾	15⅛
6⅛	1⅜	—	Commonwealth & Southern	2⅝	2¾
64⅛	34⅛	3.00	Consolidated Gas of N. Y.	42½	43¼
19⅝	4⅞	—	Continental Oil	19½	19¾
7½	2⅝	—	Coty Inc.	6	6½
4⅝	1¼	—	Curtiss Wright Company	4⅝	5⅛
101	32⅛	*2.00	Du Pont de Nemours	100½	101¼
89¾	46	3.00	Eastman Kodak	89¾	89½
41⅝	10	—	Electric Bond & Share	18⅛	18⅝
66	25	6.00	Electric Bond & Share $6 preferred	47	48½
15⅜	3⅛	—	Electric Power & Light	6⅜	6¾
19	12	—	Fox Film "A"	16⅛	16¼
10¾	2⅞	—	General Aviation	9⅛	9
30¼	10½	0.40	General Electric	22¾	23¼
39⅞	21	1.50	General Foods	36	36½
40	10	*1.00	General Motors	40	40¼
49½	13¼	1.00	General Railway Signal	41½	41
27⅜	12	1.20	Gold Dust	20	21
47½	9¼	—	Goodyear Tire & Rubber	39⅞	39½
80¼	27¾	2.00	Goodyear 7% Preferred	80¼	80
40	6⅛	—	International Cement	35¼	35½
46	13⅝	0.60	International Harvester	43¾	44⅜
23⅛	6¾	—	International Nickel	23⅛	23½
21¾	5⅞	—	International Tel. & Tel.	16½	16¼
67¾	20⅛	4.50	Int. Tel. & Tel. conv. 4½s of 1939	63¼	63¾
65¼	12¼	—	Johns Manville	65¼	65½
26	7⅜	—	Kennecott	22½	22¼
79⅜	37½	2.40	Lehman Corporation	75⅝	76
99⅝	40½	*4.00	Liggett & Myers "B"	92½	92
36½	8½	1.00	Loew's Inc.	29⅜	29⅛
25¼	10⅜	1.20	Lorillard P. (Com.)	18½	18⅞
28⅞	8⅝	—	Montgomery Ward	28	28¼
64½	16⅞	1.00	National City Bank (bid price)	27½	28
41⅝	5⅝	—	National Distillers	26⅝	27⅝
59¾	34	5.00	New England Grs & Electric 5s 1947	53	53¾
58½	14	—	New York Central	38⅝	40⅜
36½	12¾	8%S	North American	19⅝	19⅞
96¾	31½	2.00	Owens Illionois Glass	91⅝	92
31⅞	15	1.00	Pacific Gas & Electric	18⅝	18¾
6⅞	1¾	—	Packard Motors	5⅛	5⅛
42½	13¾	0.50	Pennsylvania Railroad	36⅛	36¾
6⅜	1½	—	Pennroad Corporation	3¾	3⅞
18¾	4¾	—	Phillips Petroleum	18	18⅛
12¼	3	—	Radio Corporation	8⅛	8¼
54¼	26½	3.00	Reynolds Tobacco "B"	43	42¾
47⅜	12½	—	Sears Roebuck	47⅜	47⅞
18¼	6	1.00	Socony-Vacuum Corporation	18¼	18⅝
28	14¼	2.00	Southern California Edison	19⅜	19¼
22½	5⅛	—	Standard Gas & Electric	9⅝	10¼
77	35	6.00	Standard Gas & Elec. 6% notes 1935	Unq.	60½
47⅝	22¾	1.00	Standard Oil Co. of N. J.	47	47⅝
60¾	46	3.80	Sterling Products	57¼	57
8⅜	1½	—	Studebaker	7¼	7¼
30⅛	10¾	1.00	Texas Corporation	27½	28½
9⅛	2⅝	0.12	Transamerica	7	7½
51⅞	19¾	1.00	Union Carbide & Carbon	48½	49⅜
132	61¼	6.00	Union Pacific	122¾	127
46⅞	16½	—	United Aircraft & Trans.	35⅛	36⅛
14½	4⅜	—	United Corporation	6⅝	6⅞
25	14	1.20	United Gas Improvement	17½	18
25	2⅞	—	U. S. Rubber	20	20⅝
67½	23⅝	—	U. S. Steel	57¼	57⅜
51½	21½	*2.00	Universal Leaf Tobacco	42	42⅜
36¼	7⅝	—	Vanadium	27½	27⅝
9½	1	—	Warner Bros. Pictures	7	7
58¾	19⅜	—	Westinghouse E. & M.	43¼	44⅝
50⅞	25⅛	2.40	Woolworth	49⅜	49¾

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